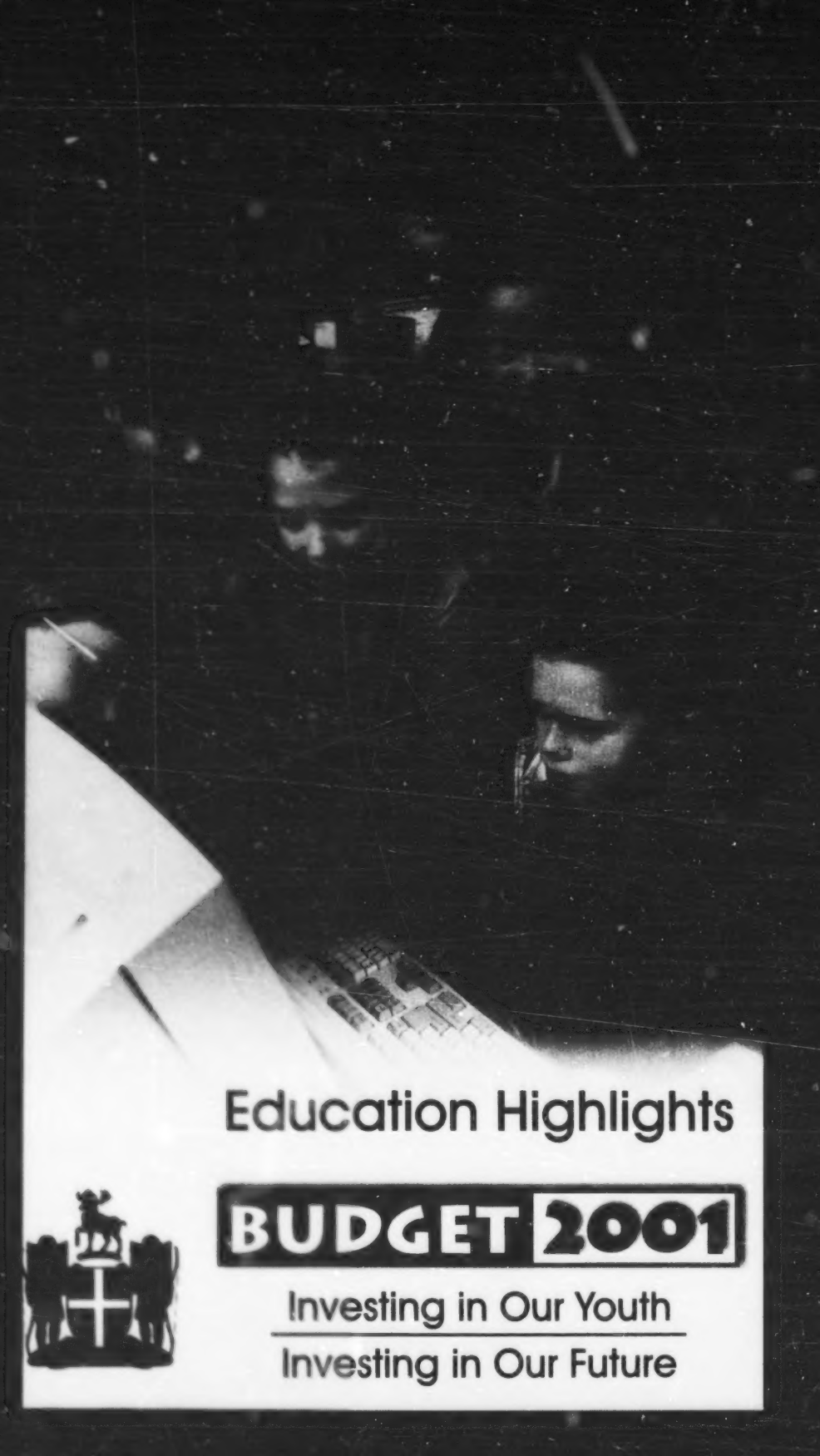


Education Highlights

BUDGET 2001

Investing in Our Youth

Investing in Our Future

A New Focus on Education and Youth

Perhaps the most compelling message that came out of government's public consultations for the Jobs and Growth Strategy last year is that education is a cornerstone for our province's social and economic development. Our unwavering commitment to continued investment in our education system allowing for a more intensive focus in K-12, literacy and early childhood education, is a clear indication that we have taken this message seriously.

Hon. Judy M. Foote, Minister
Education

An educated population is critical to the development of our province's economic and social well being. The creation of the new Department of Youth Services and Post-secondary Education underscores government's commitment to investing in our young people and our post-secondary system and helping to create new opportunities for the people of our province.

Hon. Sandra C. Kelly, Minister
Youth Services and Post-Secondary Education

For further information:
Department of Education – 729-0048
Department of Youth Services and Post-secondary Education – 729-6573
www.gov.nf.ca

Government has created:

- a new Department of Youth Services and Post-Secondary Education with a greater emphasis on programs and services for youth and higher education; and
- a realigned Department of Education with a more intense focus on K-12, literacy, libraries and early childhood education.

This is important because:

- these new departments will ensure appropriate programs and services are in place to provide learning opportunities for all citizens;
- there is no greater investment we can make than in our youth;
- a well educated population is essential to economic prosperity and social well-being; and
- investment in education and skills training yields large pay-offs, not only for individuals but for whole economies.

The people of Newfoundland and Labrador have told us to focus on:

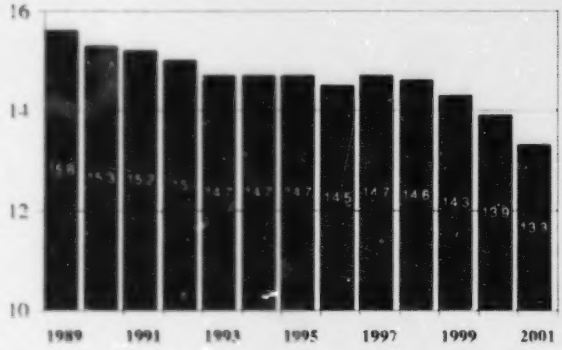
- building a high quality education system
- educational achievement
- early childhood education
- literacy
- opportunities for students in rural schools
- the transition from school to work
- student debt

We are Proud of our Investment in K-12 Education

Our province has seen significant improvements in K-12 education, including the ratio of teachers to students, graduation rates, teacher qualifications, per-student expenditures and education attainment levels.

Over the last 12 years the pupil-teacher ratio has improved significantly. In 1989, we had one teacher for every 15.6 students. In September 2001, we will have one teacher for every 13.3 students. Our investment in teaching resources is the best of any province in Canada.

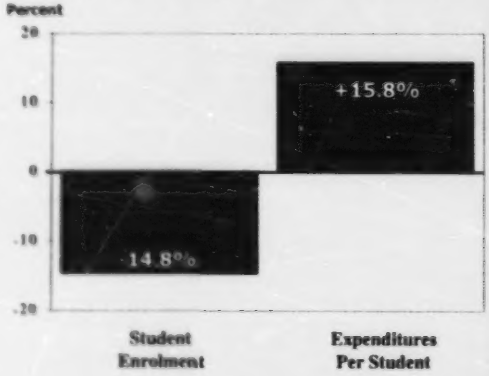
Pupil-Teacher Ratio



Our expenditure per student continues to grow. Between 1997/98 and 2001/02, school enrolment will have declined by 14,500 students, or 14.8%. Yet, over the same period, our expenditure per student (excluding capital) will have grown from $5,557 to $6,434, an increase of 15.8%.

K-12 Growth between 1997-98 and 2001-02

(Enrolment vs Expenditures Per Student)



We are Working to Bring You New and Improved School Facilities

Since 1998/99, $160 million has been invested in new school construction and renovations – the largest investment in education since Confederation. Eight new state-of-the-art schools have been constructed and construction is underway or about to commence for 10 additional schools.

New Schools Completed

Community	Cost
Buchans	$3,000,000
Clarenville	$3,290,000
Hopedale	$5,470,000
Nain	$2,890,000
Norman Bay	$334,000
Pollard's Point	$3,136,000
Rigolet	$2,892,000
Blaketown	$7,200,000

New Schools Underway

Community	Cost
Arnold's Cove	$5,700,000
Burgeo	$4,152,000
Englee/Roddickton	$3,910,000
Goose Bay	$11,400,000
Lethbridge	$4,650,000
New World Island	$8,782,000
Plum Point	$4,530,000
Pouch Cove	$3,170,000
Lower Trinity South	$5,000,000
Manuels	$6,900,000

Major extensions or renovations costing $33 million have been completed on 27 other schools. Air quality testing on 225 schools led to approximately $10 million being spent for air quality improvements in over 200 schools.

School boards also have utilized savings from school closures for capital projects. Rather than have the savings revert to government, school boards have been able to keep them for a period of three years for reinvestment in our schools. In total, $23.4 million has been reinvested in schools as a result of this initiative.

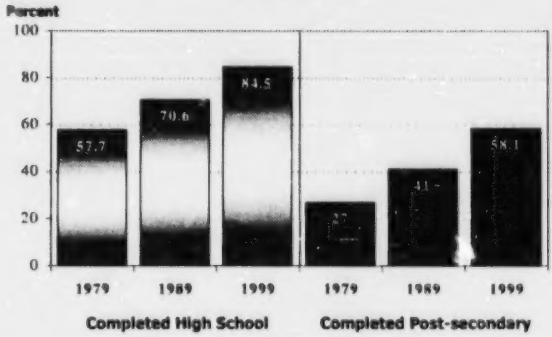
We are Building on a Foundation of Learning

Post-Secondary education participation is at an all time high. Over 80% of high school graduates are enrolling in post-secondary programs.

Over the past 20 years high school completion rates for young adults have risen from 58% to 85% and post-secondary completion rates have risen from 27% to 58%.

Education Attainment Levels

(25-29 years)



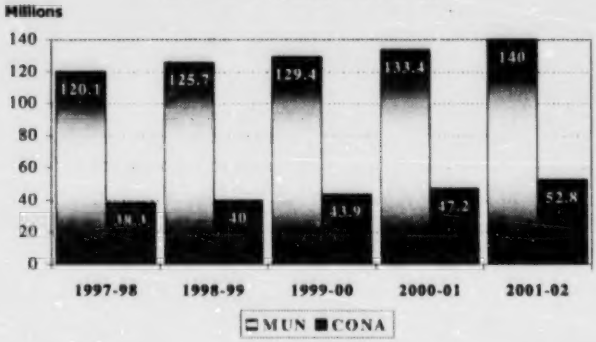
Increasing Affordability:

- Tuition has remained frozen at 1998-99 levels at all public institutions. University tuition fees in this province are the lowest in Atlantic Canada. College fees are the second lowest.

- Tuition at Memorial University will be cut by 10% in September 2001. College of the North Atlantic tuition will continue to be frozen.

- Government spends $6.1 million annually to reduce the provincial student loan for high-need students who complete longer programs in a timely manner. A Student Aid Review Advisory Committee will present recommendations on further debt reduction measures this year.

Post-secondary Funding



Investing in our Future:

- In spite of reduced federal transfers for post-secondary education, provincial government funding for public post-secondary institutions has increased by 21.3% since 1997-98.
- Through our $29 million commitment to the Opportunity Fund, Government is helping fund new scholarships and build new state-of-the-art facilities at Memorial University.
- The new Department of Youth Services and Post-Secondary Education will:
  - establish a Youth Advisory Committee as a forum for youth to communicate with government;
  - develop a Youth Apprenticeship Program to create better linkages between youth and the labour force;
  - take the lead on the federal/provincial labour Market Development Agreement which will provide $127 million in 2001-02 for training and other employment initiatives.

For Education and Youth in this Budget

- $773 million total funding (current and capital) in the two departments of Education, and Youth Services and Post-Secondary Education. Highlights include:

K-12 Education and Literacy:

- $11 million to retain 218 teaching positions in schools – this despite a projected enrolment decline of over 3,500 students.
- $3.5 million for school boards to cover prior year's utility costs.
- $5.6 million reinvested in school board operating grants.
- $5 million for the continued implementation of the recommendations of the Ministerial Panel Report on Educational Delivery in the Classroom.
- $1 million to the Provincial Information and Library Resource Board for new library books.
- $500,000 for implementation of the Strategic Literacy Plan.
- $23 million additional funding for new school construction bringing the total to $160 million.

Youth Services and Post-Secondary Education:

- $3.3 million to achieve a 10% reduction in tuition fees for students at Memorial University beginning September 2001.
- $4 million for a new Student Investment and Opportunity Corporation to coordinate new and existing youth employment programs - a total investment of $8.8 million for 2001-02.
- $8.1 million has been allocated to be spent on renovations and equipment at the College of the North Atlantic
- A further $3 million installment to the MUN Opportunity Fund.
- $500,000 for Memorial University and College of the North Atlantic to lever additional federal research funding.

2001
RECEIVING THE WORLD
CELEBRATING COMMUNICATIONS
NEWFOUNDLAND & LABRADOR

BUDGET 2001

Investing in Our Youth

Investing in Our Future

101-03464/

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

BUDGET SPEECH 2001

Investing in Our Youth, Investing in Our Future

Presented by

HONOURABLE JOAN MARIE AYLWARD
Minister of Finance and
President of Treasury Board

At The
Third Session of The Forty Fourth General Assembly
of The House of Assembly

THURSDAY, MARCH 22, 2001

TABLE OF CONTENTS

MOVING FORWARD 1

BUDGET PLAN 2
- Our Economic Climate 2
- Our Fiscal Framework 4
  - Public Sector Collective Bargaining 7

INVESTING IN PEOPLE 7
- Investing in Our Youth 8
  - Establishing a New Department 8
  - Refocusing the Department of Education 8
  - Investing in the K to 12 System 8
  - Spending More Per Pupil 9
  - Maintaining School Board Grants 10
  - No Teacher Lay-Offs 10
  - Addressing Recruitment Concerns 11
  - Maintaining the Best Teacher-Pupil Ratio 11
  - Implementing the Ministerial Panel Report 11
  - Increasing Literacy Levels 12
  - Improving School Facilities 13
  - Parity in School Busing 13
  - Fully Investing The Savings From Reform 13
  - Supporting Post Secondary Education 14
  - Tuition Reduction 14
  - Lowering Student Debt 14
  - A New Student Investment and Opportunity Corporation 15
  - Investing in Facilities and Research 15

- Investing in Health 16
  - Health Care Workforce 16
  - Priority Programs 19
  - Health Care Facilities 19
  - Investing in Modern Equipment 20
  - Stabilizing Health Board Budgets 20
  - Regional Health Forums 20
  - Federal Transfers for Social Programs 21

- Helping Those Most in Need 22
  - Strategic Social Plan 22
  - Women's Centres 23
  - NLHC Community Centres 23
  - Pensions and the Seniors' Benefit 23

Newfoundland and Labrador Child Benefit	24
Opening Doors Program	24
Local Government	25
Debt Relief Program	25
INVESTING IN INFRASTRUCTURE	25
Municipal Capital Works Program	25
Safe Drinking Water Initiative	25
Roads and Transportation	26
Televising the House of Assembly	27
INVESTING FOR JOBS AND GROWTH	27
Amalgamating into a New Department	27
Renewal Strategy for Jobs and Growth	28
Sectoral Initiatives	28
Tax Reduction Initiatives	30
A Greater Share of the Benefits from Our Resources	30
INVESTING IN LABRADOR	31
TAKING ACTION	

MOVING FORWARD

Mr. Speaker, I am pleased to present today the first budget of this administration led by Premier Roger Grimes. I am also pleased to present my first budget as Minister of Finance.

Our government is committed to change. We must be willing to create a greater level of trust, openness and accountability so that our people can have confidence in the work plan we have put forward.

Our commitment to a new approach extends to the budget process. Over the past several weeks, I have spoken to and heard from many Newfoundlanders and Labradorians through the pre-budget consultation process. I would like to take this opportunity to thank publicly all those who participated. I received useful advice and many valuable insights. We believe the strength of any government initiative depends on public input and public understanding for the decisions we make on behalf of our people.

Engaging in meaningful public consultation demonstrates that our government is moving forward to deal decisively with important issues in a more open manner. In this regard, funding is provided for the Office of the Ombudsman and a Child Advocate.

In preparing this budget, we faced different economic and fiscal realities than those of recent years. For several years, the strong economy saw provincial tax revenues, as well as transfers from the federal government, rise well beyond budget forecasts. These additional revenues gave us the flexibility to invest in public services, particularly health, and to reduce taxes, while recording modest deficits.

However, with the national economy slowing, federal transfers will not grow as strongly in the new fiscal year, if at all. Transfer growth would be constrained in any case by a

restrictive ceiling the federal government has imposed that caps Equalization payments. A slowing economy will also affect our own tax revenues. Yet, there are great expenditure pressures pushing the cost of public services ever higher. These factors require fiscal prudence and sound planning for the new fiscal year to ensure commitments to program initiatives can be sustained.

We have listened to the people of the province and have carefully weighed our options, and our responsibilities. The decisions, outlined today, have found the right balance between sound financial management and the provision of appropriate, affordable public services. We are moving forward to implement the work plan that our government has outlined. We are undertaking other significant, but affordable, initiatives to enhance the public services that reflect the priorities of the people, which are the priorities of this government.

BUDGET PLAN

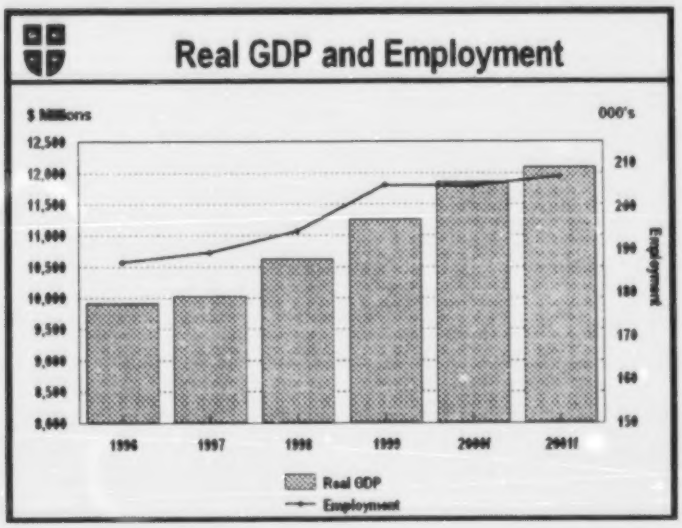
Our Economic Climate

NEWFOUNDLAND AND LABRADOR
Main Economic Indicators
(Percentage Change)

	2000	2001
Gross Domestic Product		
Nominal	16.2	0.6
Real	5.3	2.0
Personal Income		
Nominal	3.7	3.0
Real	0.7	0.8
Retail Sales		
Nominal	6.4	3.2
Real	2.7	1.4
Capital Investment		
Nominal	(8.1)	(4.3)
Real	(4.7)	(3.2)
Consumer Price Index	3.0	2.2
Employment	(0.1)	1.1
Unemployment Rate (percent)	16.7	16.2

Mr. Speaker, the economic climate is an important factor in formulating our budget plan. In 2000, our economy grew in excess of 5 percent in real terms for the third consecutive year. This has increased consumer and business confidence, and is reflected in gains in retail trade and personal income. The unemployment rate declined to its lowest level since 1990. In-migration, people moving to the province, continued to increase, reaching the highest level in 25 years. This reduced net out-migration to 2,077, its lowest level in almost a decade and well below the average annual historical level of 3,750 in the 20 year period prior to early 1990s.

Exports continue to account for over half of growth, driven in 2000 by the first year of full production at Hibernia, as well as strong performances in other resource sectors. A record number of tourists also came to our province in 2000. Revenues to the province, however, will continue to lag economic gains for some time, constraining fiscal flexibility.

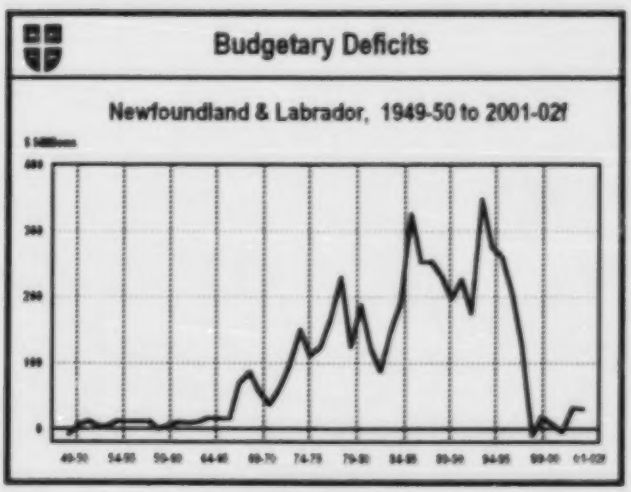


Oil revenues will remain modest until project capital costs are recouped. Overall, many revenue gains are offset by concurrent reductions in Equalization. So while the economy is producing some solid results, this does not necessarily translate into similar growth in government revenues.

Real economic growth in 2001 is expected to be 2 percent, reflecting, in part, completion of Terra Nova construction and oil production commencing late in the year. A major factor in the economic outlook, but still uncertain, is the extent the province may be impacted by an economic slowdown in the United States, our major export market. The effect a U.S. slowdown could have on the Canadian economy generally is also a factor. While there are uncertainties in the national and international economies, we are expecting growth in our economy in 2001 to be broadly based, reflecting the underlying strength of many sectors. With employment expected to grow, the unemployment rate could further decline. Our population should stabilize as out-migration continues to slow.

Our Fiscal Framework

With the strong provincial and national economies in 2000, we will slightly better our deficit target for the year just ending. At $32.7 million, the deficit for 2000-01 is $2 million lower than forecast last year. We have now recorded the best fiscal performance for any consecutive five year period since the early 1960s. Mr. Speaker, each year we have not only met, but improved upon, our deficit targets.



This demonstrates that we are successfully managing the affairs of the province both in the short term, but more importantly in the longer term, creating the stability necessary to promote economic growth and to sustain public services. The strategy we have utilized for several years in managing public finances is to shift revenues from years where we would have unnecessarily high surpluses to years where we would otherwise have excessively high deficits. This smoothing of the peaks and valleys of our fiscal position has been a significant factor in creating the stability the province has enjoyed over the past five years. We are employing this strategy again to ensure that the province will sustain a sound fiscal performance in 2001-02.

For the year just ending, we incurred additional expenditures of $65 million including some year end investments, partly funded out of the $30 million contingency reserve, giving a net cost of $35 million. This was offset by increased current account revenues of $233.8 million, primarily additional Equalization and income tax. This could have created a surplus for 2000-01 of $164.1 million. However, if we recorded that surplus, the province would have faced a deficit of $227.3 million in the new fiscal year. The

SUMMARY OF 2000-01 FINANCIAL PERFORMANCE
($Millions)

	Budget 2000-01	Revised 2000-01	Variance
Current Account			
Gross Expenditure	3,447.1	3,497.2	(50.1)
Related Revenue	402.1	248.8	(153.3)
Net Expenditure	3,045.0	3,248.4	(203.4)
Provincial and Federal Revenues	3,146.2	3,361.2	215.0
Current Account Surplus	101.2	112.8	11.6
Capital Account			
Gross Expenditure	261.9	282.9	(21.0)
Related Revenue	156.0	137.4	(18.6)
Net Expenditure	105.9	145.5	(39.6)
Contingency Reserve	30.0	-	30.0
Total Budgetary (Deficit)	(34.7)	(32.7)	2.0

ESTIMATED BUDGETARY POSITION
($Millions)

	Estimates 2001-02	Revised 2000-01
Current Account		
Gross Expenditure	3,711.6	3,497.2
Related Revenue	474.8	248.8
Net Expenditure	3,236.8	3,248.4
Provincial and Federal Revenues	3,341.0	3,361.2
Current Account Surplus	104.2	112.8
Capital Account		
Gross Expenditure	271.0	282.9
Related Revenue	146.3	137.4
Net Expenditure	124.7	145.5
Contingency Reserve	10.0	-
Total Budgetary (Deficit)	(30.5)	(32.7)

impact that this would have on services like health and education would be devastating.

To maintain stability in both our finances and our services, government has again shifted a pool of flexible revenues forward to the new fiscal year. By shifting $196.8 million in revenues forward to 2001-02, primarily accumulated dividends from Newfoundland and Labrador Hydro and sinking fund revenues, we can reduce the deficit for the new fiscal year from $227.3 million to a more prudent and fiscally manageable target of $30.5 million.

By following this strategy we are able to create fiscal flexibility in 2001-02 to undertake many important initiatives, particularly investments in health and our youth. The fiscal plan and deficit target for 2001-02 includes provision for a 3 percent salary increase for provincial employees.

To reach a prudent deficit, we have reduced the $30 million contingency reserve, which has been in place for several years to provide a measure of protection against unforeseen increases in expenditures or declines in revenues, to $10 million. While, in our view, it is unlikely we will see large unanticipated revenue gains again this year, our solid record on expenditure management gives us confidence that our deficit target can be achieved. Mr. Speaker, I am pleased to announce that we will achieve our fiscal objectives with no new taxes and no tax increases.

Public Sector Collective Bargaining

Public sector collective bargaining is a key issue for our budget plan. Salary costs are by far the largest component of our budget. About 80 percent of health care costs are salaries. About 70 percent of the cost of the education system is salaries. Every 1 percent increase in our salary budget equates to about $18 million in additional costs.

We believe our public sector employees deserve a fair and significant salary increase. We have taken careful account of what our people can afford. In our view, Mr. Speaker, by any reasonable measure, we have made that offer.

INVESTING IN PEOPLE

Mr. Speaker, in this budget, we are moving forward on our record of investing in people. Our priorities remain health, education and helping those who are most in need. Among our priorities, we are sharpening our focus on youth, the future of our province.

Investing in Our Youth

At the public consultations for the Renewal Strategy for Jobs and Growth, the critical importance of education and the development of our youth, our most important resource, was repeatedly emphasized as a key ingredient for our long term economic success. We heard that youth need to be given an active role in determining the directions we take and that we have to focus more effectively on the challenges confronting our youth in the new economy.

Enacting the recommendations of the Ministerial Panel on Educational Delivery in the Classroom was highlighted as an opportunity to achieve excellence in the K to 12 school system. Government is taking a number of steps to address specific issues.

Establishing a New Department

A new Department of Youth Services and Post Secondary Education has already been established to develop the potential of the province's youth and integrate their views into our economic and social agendas. A new Provincial Youth Advisory Committee will provide the minister and government with input on youth issues.

Refocusing the Department of Education

The Department of Education has a new focus. This will bring about an intensified concentration on the K to 12 system and literacy. The department will also extend its mandate to include responsibility for early childhood education.

Investing in the K to 12 System

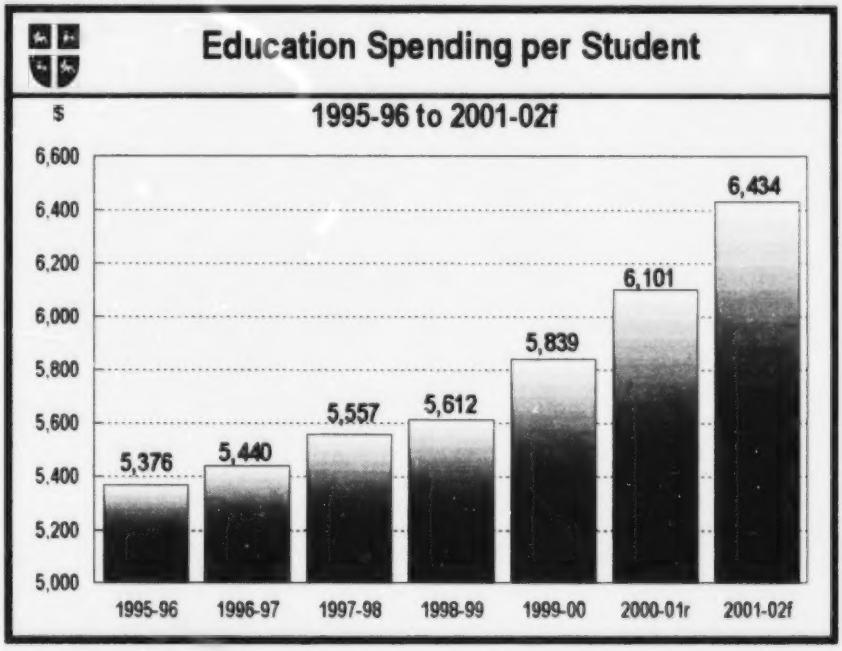
Mr. Speaker, there is no better investment we can make for our future than in the education of the province's youth. We are committed to ensuring that all the youth of

the province have access to a quality education. In this budget, we are providing significant funding, including new initiatives, to ensure that access to quality education is available to all students, regardless of where they live in the province.

The increase in per student spending is the result of a number of initiatives undertaken by this government. We have allowed school boards to retain savings from school reorganizations and declining enrolments that normally would have reverted to government. We have maintained teaching positions that otherwise would have been lost because of declining enrolments. And, we continue to act on recommendations of the Ministerial Panel. We also have funded the most significant program of school construction and renovation in our history.

Spending More Per Pupil

Mr. Speaker, with this budget, our expenditure per student continues to grow. When we look at the new school year to commence in September, school enrolment will have



declined by 14,500 students over the last four years, or by 14.8 percent. Yet, over the same period, government is spending more per student. Even when our substantial capital investments in school facilities is excluded, our spending per student will have grown from $5,557 to $6,434.

Maintaining School Board Grants

Educational reform has resulted in school reorganizations and some closures that have made our education system more efficient. We implemented a policy enabling school boards to retain the savings from school closures. Rather than have these savings revert to government, school boards have been able to keep them for a period of three years for reinvestment in our schools. In total, $23.4 million has been reinvested as a result of this policy.

The three year commitment allowing school boards to retain savings was due to expire in 1999-2000. In each of the past two years, and again for the upcoming year, government has allowed savings from school closures to remain with the boards. For the coming year, $5.6 million will be maintained in school board operating grants as a result of this initiative.

We also are providing extra funding to cover the unanticipated rise in utility costs for school buildings. A one time allocation of $3.5 million is being made to pay the additional utility costs incurred over the past two years. As well, on an ongoing basis, we will be funding the actual costs of utilities and fuel, protecting school boards from unpredictable price fluctuations.

No Teacher Lay-Offs

Mr. Speaker, despite declining enrolment, we have been reinvesting to retain most of the teaching positions that would otherwise come out of the system.

For the coming year, however, this government will not lay-off any teachers, even though enrolment will decline by approximately 3,500 students.

Mr. Speaker, this will be the first time in our history of declining enrolment when there will be no teacher lay-offs.

Implementation of the new allocation method in the Ministerial Panel Report on Education Reform would have resulted in the loss of 218 teaching units. We have decided to reinvest $11 million into the education system to retain these 218 teaching units. This reinvestment will allow school boards to improve programming and reduce class size.

Maintaining the Best Teacher-Pupil Ratio

Over the past twelve years, our teacher-pupil ratio has improved significantly and is now the best in the country. In the new school year, as a result of this budget, it will improve again. We will have one teacher for every 13.3 students. This budget ensures we will continue to lead the country by our investment in teaching resources.

Addressing Recruitment Concerns

This year proved to be a difficult one for school boards to recruit and retain sufficient teachers for coastal Labrador. We have provided $800,000 to fund a recruitment and retention bonus for all teachers who work in isolated coastal communities in Labrador.

Implementing the Ministerial Panel Report

Mr. Speaker, a number of new initiatives, totaling almost $5 million, are being funded in 2001-02 as government continues implementation of the Ministerial Panel recommendations.

These initiatives include the creation of a Centre for Distance Learning and Innovation. The Centre will provide web based high school courses to all students, including adults, wishing to complete a high school program. Teachers also will benefit through quality online professional development programs and resources. We are optimistic that the technology skills crucial for success in the knowledge based economy, fostered through the Centre, will reinforce government's rural economic diversification strategy.

September will see new curriculum for mathematics, language arts, physical education, and technology education implemented. As well, on a pilot basis, new courses in Newfoundland and Labrador history and religious education will be introduced. Funding is also provided for a music specialist to support program development in this area of the curriculum.

We are extending for another year the $900,000 increase made last year to teacher professional development. A total of $4.4 million is allocated in the new fiscal year for professional development to assist teachers improve teaching and learning strategies.

Increasing Literacy Levels

A $500,000 allocation is being made in support of the Strategic Literacy Plan. Addressing literacy is an important component of the Jobs and Growth agenda because of the role literacy plays in employment, career and business opportunities. The plan is working to ensure the supports are in place so that anyone who wants to can improve their literacy skills.

Our commitment to providing our libraries with the most current reading materials also will be strengthened through an allocation of $1 million for the purchase of library books in addition to our regular annual funding.

Improving School Facilities

An additional $23 million has been allocated to address priority school construction and renovation projects. This brings the total investment planned in school buildings since 1998-99 to $160 million.

To date, eight new schools have been constructed, with 10 others in either the planning or construction stages. In addition, major renovations or extensions have been completed to another 27 schools throughout the province.

Parity in School Busing

To achieve parity in the school busing system throughout the province, $800,000 is allocated to extend free bus transportation service to junior and senior high school students in St. John's who live more than 1.6 kilometers from their school. As a result of this initiative, all students, regardless of their grade level or where they live in the province, will have access to free school bus transportation.

Fully Investing the Savings from Reform

Mr. Speaker, education reform provided an opportunity to reinvest savings from school board consolidations and school closures into services for children. School board consolidations have resulted in savings totaling $55 million since 1997-98. These savings have been fully reinvested. In fact, we have provided a further $160 million through our school construction and renovation program. In addition, all savings from school closures and enrolment declines have been reinvested. The amount reinvested to date from these savings is in excess of $34 million.

Supporting Post Secondary Education

Another component of our commitment to investing in our youth is support for post secondary education and for our graduates. Provincial funding for public post secondary institutions has increased by 21.3 percent since 1997-98.

For students, affordability is a critical element of educational opportunities. Over the past two years, we have provided funding so that Memorial University and the College of the North Atlantic could implement a tuition freeze. Tuition fees at Memorial are already the lowest in Atlantic Canada.

Reducing Tuition

Mr. Speaker, this year, we are providing $3.3 million in additional funding to Memorial University to enable a 10 percent reduction in tuition for the new academic year commencing in September.

Funding will be provided to enable students at the Faculty of Medicine, the Marine Institute and the College of the North Atlantic to continue to benefit from the tuition freeze. Our public college fees, already substantially lower than Memorial, are the second lowest in Atlantic Canada.

Lowering Student Debt

Student debt is also an important issue. Too many students graduate with debt levels that place a great burden on their futures. We already spend $6.1 million annually to assist students with high debt loads who successfully complete their academic programs on time.

The Student Aid Review Advisory Committee will be making recommendations for our consideration later this year. We have to take time to consider this issue in consultation with stakeholders and plan to come forward with further relief measures in due course. This will require reform of the Student Aid Program. We will also press the federal government to initiate similar student loan reforms.

A New Student Investment and Opportunity Corporation

Mr. Speaker, today, we are also announcing the creation of a new Student Investment and Opportunity Corporation with an initial investment totaling $8.8 million. The corporation will enhance youth employment programs, which will assist in addressing the student debt issue. The corporation will absorb $4.8 million in existing youth employment programs, as well as receive an additional $4 million for new initiatives. The programs of the corporation will aid post secondary students gain work experience and employment which will offset the cost of their education. It will help us address key youth concerns, including high youth unemployment and making the successful transition from school to work.

Investing in Facilities and Research

We are also making significant investments in our post secondary facilities and in their research capacities.

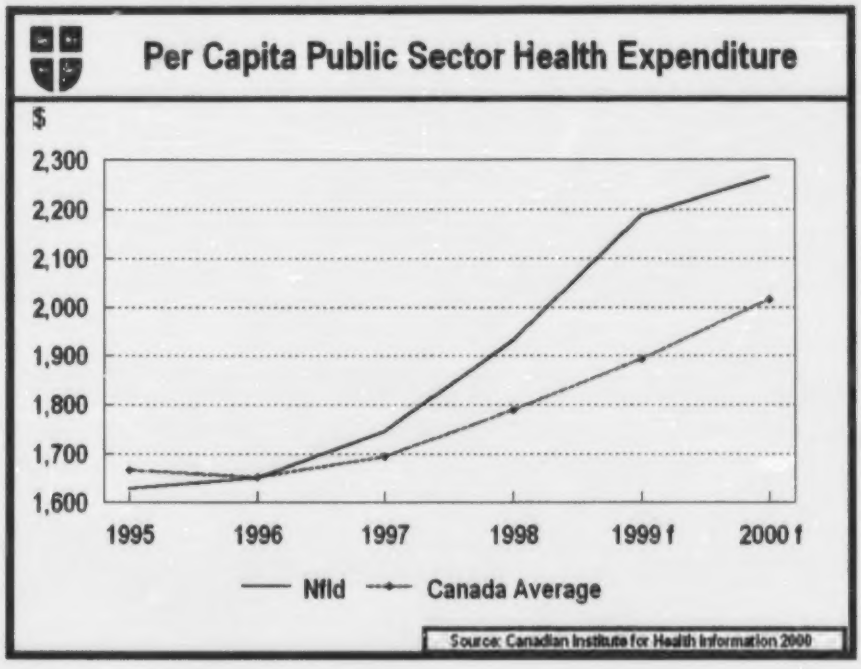
We have committed to match private donations to the MUN Opportunity Fund, which provides both scholarships for students and capital improvements at the university. This year we will make a payment of $3 million, bringing our total contribution to date to $21.3 million.

For new facilities, including classroom space and library resources, as well as building renewal at the College of the North Atlantic, $8.1 million is provided in the new year.

An allocation of $500,000 will assist Memorial and the College of the North Atlantic to access federal funding for research and development from the Canada Foundation for Innovation.

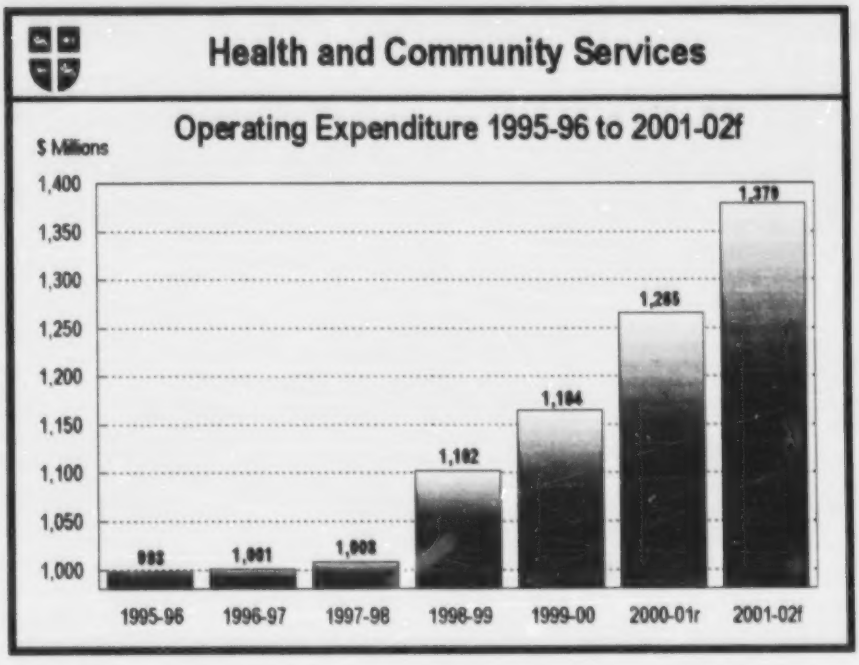
Investing in Health

Mr. Speaker, there is ample evidence of our commitment to health in each and every budget over the last five years. In 1997, when we were faced with an unacceptably high budget deficit, expenditures were cut in every department except Health. As our fiscal situation improved, we made major investments in health every year thereafter. According to the Canadian Institute for Health Information, per capita public sector spending on health in this province was below the Canadian average until 1996. Since 1997, however, we have exceeded the average each year. For 2000, public sector



health spending in this province was 12.5 percent more per capita than the Canadian average.

In the new fiscal year, we will be adding $114 million more to our health and community services budget, money that will go to fund the important day to day operation of the health sector. Mr. Speaker, this is the largest single increase ever made by any government in the history of the province. This represents a 9 percent increase over the level of funding provided last year.



Our annual contribution to operating health services has increased from $1 billion in 1996-97 to about $1.4 billion in 2001-02. This is an increase of about $400 million, close to 40 percent, in just five years. Mr. Speaker, new funding for the health sector on this scale is unprecedented in our history.

In addition to funding operating costs, over $400 million in capital investments have been made since 1996-97, both by the health care boards and by government directly. This money provides for new facilities, as well as renovations to existing ones, and health equipment in every region. When the monies government is providing or has approved for 2001-02 are added in, the amount committed over the six year period will total almost half a billion dollars.

Health Care Workforce

In this budget, government continues to provide more money for health care workers. Excluding the union contracts under negotiation, $47 million more is allocated to staff the health system. This is necessary both to retain our skilled workforce, as well as to recruit required professionals. The budget provides for the further implementation of pay equity in the health sector, additional funding for physicians and a base salary increase for home support workers.

Most home support workers currently receive $5.84 an hour. These workers will see their wage rate rise this year in two steps to $7.01 an hour. This is a much needed increase of 20 percent in a period of less than one year to correct a salary anomaly for these lower paid workers.

An additional $11 million has been allocated for physicians, some of which is for new positions. This will contribute to our good record of physician retention and recruitment. From 1998 to 2000 there has been a net gain of 61 physicians for the province, 34 general practitioners and 27 specialists. This is not to say that every community has all the doctors they would like, but it does show that we have had some success in ensuring an adequate number of physicians for the province. A further $600,000 is provided for the Faculty of Medicine at Memorial University, supporting new physicians for the province and improving our ability to recruit specialists.

Of the new money for health care workers, $25 million is provided to fund the reclassification of nurses and other professional staff undertaken last year. A reclassification review is currently underway for laboratory and x-ray technicians which will be completed later this year.

Priority Programs

The budget provides an increase of $14.8 million for priority programs. This money is incremental funding for our drug programs, blood supply, road ambulance operations and medical transportation assistance program.

Included is $2.4 million to continue increasing the number of cardiac surgeries, which will go from 12 cases a week in 1999 up to 20 per week later this year. As well, $710,000 is provided to increase the level of cardiac catheterizations.

In addition, the subsidy to personal care homes will increase for the second consecutive year by $1.3 million, bringing the total to $12 million annually. As a result, our contribution to monthly rates is rising to about $1,000. The number of individual clients receiving subsidies will also increase. Our plan is to move to providing more personal subsidies rather than subsidizing facilities.

As well, $2.1 million will permit the pharmacy dispensing fee for income support recipients to be raised to $6.50, fully restoring it to the level prior to the 1996 budget.

Health Care Facilities

Ongoing construction and renovation projects at a number of facilities around the province will receive $50 million in funding in 2001-02. Major work is ongoing at Gander, Stephenville, Grand Bank, Bonne Bay, Fogo and Old Perlican. Work will also commence on a new long term care facility at Clarenville.

Investing in Modern Equipment

Part of our commitment to health care has been an investment of over $100 million for new equipment over the last five years. This budget provides a further $32.4 million to modernize diagnostic and therapeutic equipment at facilities all across the province. Of this amount, a $17.4 million contribution comes from the federal government as part of the First Ministers' Agreement on Health Renewal. Purchases will include CT scanners, mammography units and therapeutic equipment for acute care, as well as priority equipment for residential care needs in nursing homes.

Stabilizing Health Board Budgets

We will again this year be increasing the base budgets of institutional health boards. In 2001-02, this additional funding for health board operations will be $50 million. Mr. Speaker, this is the largest single annual increment of the last five years. For the new fiscal year, base budgets for boards will be $111.7 million higher than they were five years ago. This increase will stabilize board funding and allow them to operate within balanced budgets. This will position them to achieve efficiencies and focus on future service improvements.

We are also placing greater emphasis on community based health services and population health programs. Health and community services boards will receive incremental funding of $7 million.

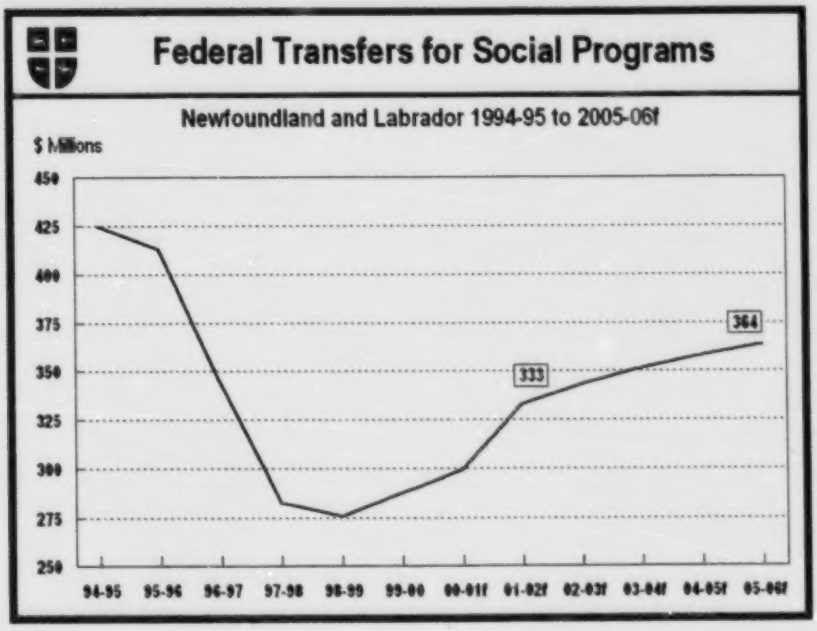
Regional Health Forums

Mr. Speaker, to help government build a vision for health and community services for the future, a series of province wide regional health forums will be held this year. The

forums will permit community partners to assist us in seeking consensus on the principles necessary to improve quality in the health system, ensure long term sustainability, provide equitable access, maintain affordability and enhance public accountability.

Federal Transfers for Social Programs

Mr. Speaker, funding health, in particular, is an ever increasing challenge given the limited flexibility in our fiscal position. In large measure, responsibility for this lies with the federal government, whose contribution to provincial social program funding, including health, was much higher in the past and must be increased.



Even with the federal commitment to increase CHST cash transfers out to 2005-06, our share in five years time will be $61 million less than it was seven years ago. For the new fiscal year, it will be $92 million less than it was seven years ago. Nationally, the federal share of funding social programs will again be in decline each year after 2001-02. Not only should the federal government make larger cash contributions to

provincial social program funding, this should be done in a manner that delivers more of that funding to those provinces most in need. One way the federal government could do this is by revitalizing the Equalization program.

Helping Those Most in Need

Strategic Social Plan

Mr. Speaker, funding of $2 million for implementation of the Strategic Social Plan will be maintained in the new fiscal year, supporting the work of the six regional steering committees, all now operational.

The Strategic Social Plan recognizes the importance of promoting the links between social and economic development. Good social policy and investments in social programming support economic progress. To the extent that people are prepared to participate fully in the life of the community and achieve their potential, economic investment finds a place to take hold and flourish. This government has made significant changes to the delivery of income support to assist clients to access the training and supports they need to find and maintain work.

The Single Parent Employment Support Program has been an innovative and successful pilot partnership between government and the Single Parents Association of Newfoundland. Of the 239 single parents who participated in this pilot, 124 are currently employed and 40 are no longer in receipt of income support.

In the words of one person who had been in receipt of social assistance for seven years prior to enrolling in this program: "My whole life has changed. Now I am sure that good things are beginning to happen to me".

Another person who participated in both our "New Beginnings" program and "Skills for Success" program said, "It was at New Beginnings that I got on the right track". She is now enrolled at Memorial University and is pursuing her ambition to go into nursing.

These cases, and others, demonstrate how investing in people and in community infrastructure is an investment in economic prosperity down the road.

Women's Centres

In recognition of the important work done by the Women's Centres across the province in delivering community based services, I am pleased to announce that funding for the seven centres will be increased. When the federal government stopped funding Women's Centres in 1998, the province stepped in to enable the centres to maintain operations. During pre-budget consultations, women's organizations across the province highlighted increased funding for the centres as an important priority. Mr. Speaker, their operational funding will increase by two-thirds to $50,000 each.

NLHC Community Centres

Newfoundland and Labrador Housing Corporation community centres also provide valuable educational, recreational, social and health programs to many individuals and families. To permit the centres to enhance their operations by offsetting the cost of program co-ordinators, $140,000 is allocated in the new fiscal year.

Pensions and the Seniors' Benefit

Government has grappled for some years with the issue of public service pensions. A plan is in place that will see the pension funds put on a sustainable financial footing over time. Government is concerned about the well being of low income seniors generally, including low income public service pensioners.

In 1999, we implemented a low income seniors' benefit. Mr. Speaker, I am pleased to announce today that we are increasing the benefit by 50 percent from $200 to $300 annually. As well, the low income threshold at which the benefit begins to phase down is being raised from $12,000 to $14,000. All seniors aged 65 and over, with annual family income of less than $20,000, will receive either a full or partial benefit, regardless of any other pension income they may receive. Those with family income of $14,000 or less will receive the full $300 benefit. Mr. Speaker, this action demonstrates our commitment to assist low income seniors financially, within our means.

Newfoundland and Labrador Child Benefit

The Newfoundland and Labrador Child Benefit provides financial support to low income families with dependent children. I am pleased to announce that we are increasing the eligibility thresholds to allow more families to receive the benefit. Previously, families with incomes below $15,931 received the full benefit. This is now raised to $16,744. The phase down thresholds are also increased.

Opening Doors Program

I am also pleased to announce that an additional $600,000 will be added to the Opening Doors Program over the next three years. The expanded program will increase the number of permanent, full time employment opportunities in the public sector for people with disabilities. The program is a partnership between government and NAPE to create job opportunities for people with disabilities.

Local Government

Debt Relief Program

We will continue to assist municipalities experiencing financial difficulty through the Debt Relief Program. Mr. Speaker, we are making an additional $10 million available for the program in the new year, bringing our total commitment since initiating the program five years ago to $35 million.

INVESTING IN INFRASTRUCTURE

Municipal Capital Works Program

A municipal capital works and infrastructure program of $50 million is forecast for the new fiscal year, funded by a $27 million provincial contribution, with the balance from the federal government and municipalities.

Of the province's $27 million, $7 million will fund a new provincial-municipal variable cost sharing ratio. This will make it more affordable for smaller rural communities to undertake larger capital works projects than they could in the past. Community size, tax base and the ability to generate revenues will be considered in determining the municipal share. The provincial government will fund a higher share of project costs for these municipalities.

Safe Drinking Water Initiative

Ensuring safe drinking water for residents of the province is a high priority for this government. Mr. Speaker, today we are announcing an $11 million multi-year safe drinking water initiative. This budget allocates $2.6 million to address water sampling, staff training and infrastructure needs, including chlorination programs, for the provision

of safe drinking water. Municipalities currently under a boil water advisory can receive 100 percent funding up to a maximum of $100,000 to install or upgrade water disinfection systems. We will be working closely with communities to improve municipal water supplies.

Roads and Transportation

Today we are announcing a highway and road construction program of $121.8 million for the new fiscal year. Mr. Speaker, this is the second largest program since Confederation, exceeded only by last year, and brings our total commitment over six years to $644 million.

This year's allocation will see a 50 percent, or $6 million, increase in the paving and road reconstruction component of the provincial roads program. Construction will continue on roads in coastal communities in northern Labrador, as well as the Trans Labrador Highway in southern Labrador.

In early 2000, the people of Long Island made a strong plea for a causeway to replace their ferry services. At the time, the federal minister of ACOA pledged up to $8 million, or 80 percent, of the cost of the project. Today, I am pledging that the province will make available $2 million, or 20 percent of the cost, towards construction of the causeway as soon as federal funding is in place. Mr. Speaker, this government, and the people of Long Island, call on the federal government to fulfill the minister's pledge to provide construction funding.

An additional $500,000 is provided for ferry modifications, as well as $2 million for upgrading the Bell Island ferry wharves.

Televising the House of Assembly

Mr. Speaker, acting on our commitment to bring about a more open and accountable government, $1.3 million is provided to permit the House of Assembly to be televised. We are aiming to have the technical work completed in time to begin telecasts for the fall 2001 sitting of the House.

INVESTING FOR JOBS AND GROWTH

Government is committed to building on the economic momentum generated over the last five years. We will continue to give particular attention to rural areas.

Amalgamating into a New Department

Our first step has been to merge two economic development departments into one with a stronger mandate. This brings together core economic and business development functions to allow more focused and co-ordinated delivery of programs at the regional level. The new department will have a budget $7 million larger than the combined budgets of its predecessors. New financial resources to pursue the development mandate will come from the $44.8 million extension to the Canada-Newfoundland Comprehensive Economic Development Agreement, as well as continued activity under the "FRAM-ED" Post-TAGS Agreement.

Renewal Strategy for Jobs and Growth

A second step was the release on Tuesday of the final report of the Renewal Strategy for Jobs and Growth, prepared based on an extensive consultation process conducted throughout the province. Mr. Speaker, I want to recognize today the tremendous leadership shown, as well as the time and effort devoted, by the Minister responsible, the Honourable Beaton Tulk, in bringing this important initiative to fruition.

The report outlines key initiatives we will be moving forward on to re-energize our jobs and growth agenda. Government's role is to create the right environment to allow the private sector to drive employment and economic growth. The report encapsulates what we heard from the public during the consultations. We will continue to engage stakeholders to work with us in implementing the initiatives.

The report contains specific commitments designed to stimulate growth in traditional, as well as non-traditional sectors of our economy. This budget commits funding to support many Jobs and Growth initiatives, like Team Trade Newfoundland and Labrador which is designed to stimulate trade and export development. Jobs and Growth funding will support important sectors like the fishery, agrifoods and tourism, as well as emerging sectors like information technology and cultural industries. Almost two thirds of the priorities identified in the report relate to strengthening rural regions of the province.

Sectoral Initiatives

The fishery is an excellent example of government and the private sector working together to create economic opportunity and growth in rural areas. Continued funding is provided to further enhance the Quality Assurance and Inspection Program implemented in 2000. Through this program, we are consistently improving our image as a supplier of quality products in the global marketplace. A priority issue for this government is to protect the adjacency principle to ensure the province receives the benefits of our fisheries resource.

Another example of government and the private sector partnering to stimulate jobs and growth in rural areas is the success the tourism sector has been enjoying, particularly in recent years starting with the Cabot 500 celebrations. To build on this momentum, we are allocating $3.2 million to the Marconi celebrations, "Receiving the World:

Celebrating Communications". Not only will the events highlight our place in communications history, they also will focus on our modern achievements in marine communications and information technology. In September, we are hosting the Wireless Vision Congress which will bring together IT industry participants from around the world.

Our energy and mining sectors have become mainstays of the economy, as well as hold great promise for the future. We are allocating $300,000 for further work on a natural gas strategy for the province. The strategy will be key to identifying and advancing the opportunities our natural gas resources represent. For the mining industry, $390,000 is provided to expand the Buchans core storage facility, one of six across the province preserving mineral core samples for public use. Funding is also provided for fuel price regulation.

Tax Reduction Initiatives

Mr. Speaker, in support of the jobs and growth strategy, and to act on our commitment to foster a positive climate for business investment, I am pleased to announce today that effective April 1 government will increase the threshold for the payroll tax from $400,000 to $500,000. Over the last four budgets, we have increased the threshold from $100,000, removing over 2,000 businesses from the tax roll and reducing the tax for thousands of others. Virtually the entire small business sector will no longer pay the tax.

The coming fiscal year also will see further cuts in provincial personal income tax as part of the tax reduction plan announced in late 1999.

A Greater Share of the Benefits from Our Resources

To take advantage of our economic opportunities, the province must receive a greater, and fairer, share of the benefits of key natural resource developments. In our view, the existing Equalization program almost guarantees that all but a modest share of the financial benefits of these developments will accrue to the federal government. A province, like ours, must be able to use natural resource development to better ourselves to bring about the economic and social changes necessary to build a sustainable future as full partners in the Canadian Confederation.

We are asking the federal government to ensure that a much greater share of the new wealth that resource development is creating in this province actually stays here. We will use these financial resources to develop a sustainable economy so, in the longer term, we can reduce and eventually eliminate our need for federal Equalization transfers.

Obtaining a fairer share of the financial benefits of natural resource developments for our province is a high priority for this government. Mr. Speaker, we call on the federal government to make it an equally high priority.

INVESTING IN LABRADOR

Last year's budget announced a northern coastal Labrador initiative to address housing needs, community infrastructure and policing in five communities. We are entering the second year of a $23 million three year funding commitment, which includes a $7.7 million housing component. To give Labrador and its aboriginal peoples a stronger voice in government we have recently created a new Department of Labrador and

Aboriginal Affairs. The new department will provide leadership on issues of concern to Labrador and all its people.

I am pleased to announce today several initiatives of particular relevance to Labrador. I mentioned earlier $800,000 for incentive bonuses to attract teachers to coastal Labrador communities. Funding is provided for the Forestry Process Agreement on forestry management and development in Labrador between the province and the Innu Nation as committed earlier this year. And, subject to being implemented nationally, we hope to launch the Aboriginal Cadet Development Program, which would see aboriginal youth receive skills upgrading as preparation for RCMP training. In anticipation of this national program, we have set aside funding in the new fiscal year for 12 aboriginal youth who are residents of Labrador to participate.

The Labrador Travel Subsidy was increased by $180,000 in the middle of the fiscal year just ending. The subsidy will be maintained at its new level of $427,000. This will permit students living in Labrador to increase their participation in athletic tournaments throughout the province. And finally, our largest single investment in Labrador this year is the $43 million to be spent on the Trans Labrador Highway. This is an exciting initiative that will open up many opportunities for the people of Labrador and the whole province.

TAKING ACTION

Mr. Speaker, this budget is about taking action for the future. It represents a new beginning, new ideas and a new vision. This budget does not rest on the past, it clearly focuses on the future. It builds on a record of strong fiscal performance, the best the province has had in decades. It focuses on the priorities most important to the people of the province - health, education and helping those most in need.

Change is a necessary component to reflect the priorities of this government. New departments were created and others amalgamated to reflect these priorities. A new emphasis is being placed on investing in youth. A work plan has been put forward.

We share a new confidence in the future with the people of the province. Challenges remain, but this budget demonstrates we are willing to make choices and take action. Today, we take another step in setting a new course. We are acting on our priorities, the priorities of our people, and investing in the future of Newfoundland and Labrador.

BUDGET
2001

STATEMENTS:

		Page
I	Summary of Borrowing Requirements	i
II	Comparative Summary of Current and Related Revenues	ii
III	Summary of Current and Capital Account Expenditures	iii
IV	Summary of Current Account Expenditures	iv
V	Summary of Capital Account Expenditures	v
VI	Summary of Related Revenues and Expenditures by Main Object and Sector	vi

EXHIBITS:

I	Selected Economic Statistics 1997-2000	vii
II	Estimated Provincial and Federal Revenues 2001-02 (Estimates) and 2000-01 (Revised)	viii
III	Current and Capital Revenues by Provincial and Federal Sources 1997-98 to 2001-02	ix
IV	Expenditure Summary 2001-02 (Estimated) and 2000-01 (Revised)	x
V	Public Sector Debt as at March 31, 1997-2001	xi
VI	Summary and Chart - "Where the Money Comes From"	xii
VII	Summary and Chart - "Where the Money Goes"	xiii
VIII	Summary and Chart - Gross Capital Account Expenditures	xiv
IX	Summary and Chart - Gross Government Expenditures	xv
X	Summary of Budgetary Financing Sources	xvi
XI	Summary of Salary Costs by Department	xvii
XII	Estimated Interest and Debt Retirement 2001-02	xviii
XIII	Details of Capital Expenditures	xx

STATEMENT I

NEWFOUNDLAND AND LABRADOR

SUMMARY OF BORROWING REQUIREMENTS

2001-02 and 2000-01 (Revised)

	2001-02 Estimates		2000-01 Revised	
	($000)	($000)	($000)	($000)
BUDGETARY REQUIREMENTS				
Current Account:				
Gross Expenditure	3,711,582		3,497,235	
Related Revenues	474,793		248,866	
Net Expenditure	3,236,789		3,248,369	
Provincial and Federal Revenues	3,340,945		3,361,211	
Financial Contribution		(104,156)		(112,842)
Capital Account:				
Gross Expenditure	270,992		282,936	
Related Revenues	146,300		137,429	
Net Expenditure		124,692		145,507
Other:				
Contingency Reserve		10,000		-
TOTAL BUDGETARY REQUIREMENTS (CONTRIBUTION)		30,536		32,665
NON-BUDGETARY TRANSACTIONS				
Debt Retirement:				
Redemptions (See Appendix II)	216,359		140,372	
Contributions to Sinking Funds (See Appendix II)	51,265		51,481	
Wind Up of Voluntary Sinking Funds	(93,164)		(13,366)	
Total Debt Retirement		174,460		178,487
Retirement of Pension Liabilities		116,000		116,000
TOTAL NON-BUDGETARY TRANSACTIONS		290,460		294,487
TOTAL BORROWING REQUIREMENTS		320,996		327,152

STATEMENT II

COMPARATIVE SUMMARY OF CURRENT AND RELATED REVENUES

2001-02 and 2000-01 Revised

	2001-02 Estimates ($000)	2000-01 Revised ($000)
PROVINCIAL:		
Taxation:		
Personal Income Tax	602,000	620,900
Sales Tax	503,000	489,135
Gasoline Tax	128,500	125,000
Payroll Tax	77,500	76,500
Tobacco Tax	66,800	65,500
Corporate Income Tax	80,000	74,727
Natural Resources Taxes and Royalties	49,000	60,800
Other	34,215	33,215
	1,541,015	1,545,777
General Revenues:		
Newfoundland Liquor Corporation	100,000	90,000
Lottery Revenues	99,000	95,300
Vehicle and Driver Licences	53,000	53,000
Registry of Deeds, Companies and Securities	14,051	14,000
Fines and Forfeitures	5,407	5,132
Other	27,077	33,285
	298,535	290,717
Expenditure Programs - Related Revenues:		
Recoveries - Sinking Fund Surpluses	184,769	36,104
Interest Income	7,036	6,818
Other	203,324	138,494
	395,129	181,416
TOTAL: PROVINCIAL REVENUES	2,234,679	2,017,910
GOVERNMENT OF CANADA:		
Fiscal Transfer Payments:		
Equalization Payments	1,163,335	1,153,224
Canada Health and Social Transfer (CHST)	336,306	338,739
Sales Tax Transitional Assistance	-	31,000
Statutory Subsidies	1,754	1,754
	1,501,395	1,524,717
Cost Shared Programs:		
Resource	17,520	9,794
Offshore Fund	4,747	3,021
Human Resources Development	19,000	18,700
Native Peoples	6,557	6,595
Other	31,840	29,340
	79,664	67,450
TOTAL: GOVERNMENT OF CANADA REVENUES	1,581,059	1,592,167
TOTAL: CURRENT AND RELATED REVENUES	3,815,738	3,610,077

STATEMENT III

SUMMARY OF CURRENT AND CAPITAL ACCOUNT EXPENDITURES

2001-02 and 2000-01 Revised

	2001-02			2000-01
	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)
	$	$	$	$
General Government Sector				
Consolidated Fund Services	614,575,000	229,184,000	385,391,000	560,212,700
Executive Council	28,795,200	1,683,300	27,111,900	26,744,400
Finance	85,375,700	114,359,400	(28,983,700)	(10,513,800)
Government Services and Lands	27,111,400	3,770,100	23,341,300	22,314,400
Labrador and Aboriginal Affairs	7,232,800	3,912,100	3,320,700	1,823,000
Legislature	12,334,100	157,800	12,176,300	11,195,100
Public Service Commission	2,812,100	-	2,812,100	2,274,700
Works, Services and Transportation	307,812,300	132,705,000	175,107,300	171,166,900
Resource Sector				
Environment	6,731,800	899,900	5,831,900	4,902,000
Fisheries and Aquaculture	13,103,400	3,407,900	9,695,500	9,063,600
Forest Resources and Agrifoods	48,143,200	5,463,300	42,679,900	41,237,400
Industry, Trade and Rural Development	60,186,800	18,720,300	41,466,500	32,308,900
Mines and Energy	23,465,900	1,602,500	21,863,400	14,104,700
Tourism, Culture and Recreation	31,906,300	2,784,700	29,121,600	29,740,300
Social Sector				
Education	531,055,300	6,867,200	524,188,100	502,962,800
Health and Community Services	1,428,135,800	26,402,400	1,401,733,400	1,298,010,100
Human Resources and Employment	262,183,800	8,784,200	253,399,600	259,096,000
Justice	124,457,700	10,348,600	114,109,100	115,489,700
Labour	6,291,300	4,024,200	2,267,100	2,011,200
Municipal and Provincial Affairs	110,584,500	15,831,200	94,753,300	100,466,500
Newfoundland and Labrador Housing Corporation	8,260,000	-	8,260,000	6,400,000
Youth Services and Post-Secondary Education	242,019,800	30,185,300	211,834,500	192,865,300
TOTAL	3,982,574,200	621,093,400	3,361,480,800	3,393,875,900

AMOUNT TO BE VOTED 2001-02

Gross Current and Capital Expenditure		3,982,574,200
Contingency Reserve		10,000,000
Less: Expenditures Approved by Statute:		
Interest	539,492,100	
Pensions and Gratuities	56,939,800	
Debt Management Expenses	3,168,500	
Issues under Guarantee	500,000	
Salaries (Auditor General and Comptroller General)	186,100	600,286,500
Amount to be Voted by Supply Bill		3,392,287,700

STATEMENT IV

SUMMARY OF CURRENT ACCOUNT EXPENDITURES

2001-02 and 2000-01 Revised

	2001-02			2000-01
	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)
	($000)	($000)	($000)	($000)
General Government Sector				
Consolidated Fund Services	613,986	211,495	402,491	560,469
Executive Council	28,795	1,683	27,112	26,744
Finance	85,376	114,360	(28,984)	(13,964)
Government Services and Lands	26,774	2,520	24,254	23,336
Labrador and Aboriginal Affairs	7,233	3,912	3,321	1,823
Legislature	12,334	158	12,176	11,195
Public Service Commission	2,812	-	2,812	2,275
Works, Services and Transportation	159,206	28,935	130,271	134,320
Resource Sector				
Environment	6,732	900	5,832	4,902
Fisheries and Aquaculture	13,004	3,408	9,596	9,049
Forest Resources and Agrifoods	45,443	5,463	39,980	38,960
Industry, Trade and Rural Development	57,065	13,620	43,445	36,297
Mines and Energy	23,466	1,603	21,863	14,105
Tourism, Culture and Recreation	29,849	2,740	27,109	27,042
Social Sector				
Education	529,385	6,867	522,518	495,343
Health and Community Services	1,378,598	23,402	1,355,196	1,244,898
Human Resources and Employment	262,184	8,784	253,400	259,096
Justice	124,458	10,349	114,109	114,845
Labour	6,291	4,024	2,267	2,011
Municipal and Provincial Affairs	58,889	797	58,092	63,275
Newfoundland and Labrador Housing Corporation	8,260	-	8,260	6,400
Youth Services and Post-Secondary Education	231,442	29,773	201,669	185,948
TOTAL	3,711,582	474,793	3,236,789	3,248,369

STATEMENT V

SUMMARY OF CAPITAL ACCOUNT EXPENDITURES

2001-02 and 2000-01 Revised

	2001-02			2000-01
	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)
	($000)	($000)	($000)	($000)
General Government Sector				
Consolidated Fund Services	589	17,688	(17,099)	(256)
Finance	-	-	-	3,450
Government Services and Lands	337	1,250	(913)	(1,022)
Works, Services and Transportation	148,606	103,770	44,836	36,847
Resource Sector				
Fisheries and Aquaculture	100	-	100	15
Forest Resources and Agrifoods	2,700	-	2,700	2,277
Industry, Trade and Rural Development	3,122	5,100	(1,978)	(3,988)
Tourism, Culture and Recreation	2,057	45	2,012	2,698
Social Sector				
Education	1,670	-	1,670	7,620
Health and Community Services	49,538	3,000	46,538	53,112
Justice	-	-	-	645
Municipal and Provincial Affairs	51,695	15,034	36,661	37,192
Youth Services and Post-Secondary Education	10,578	413	10,165	6,917
TOTAL	270,992	146,300	124,692	145,507

Note: For details refer to Appendix III.

STATEMENT VI

SUMMARY OF RELATED REVENUES AND EXPENDITURES
BY MAIN OBJECT AND SECTOR
2001-02 and 2000-01 Revised

	General Government Sector 2001/02	Resource Sector 2001/02	Social Sector 2001/02	Total 2001/02	% of 2001/02 Total	Total 2000/01 Revised
	($000)	($000)	($000)	($000)	%	($000)
Current:						
Salaries	151,653	57,688	112,707	322,048	8.68	276,732
Employee Benefits	106,713	602	1,080	108,395	2.92	104,999
Transportation and Communications	12,208	15,386	12,601	40,195	1.08	34,183
Supplies	33,001	4,760	11,780	49,541	1.33	53,928
Professional Services	5,606	5,194	187,772	198,572	5.35	188,148
Purchased Services	60,688	31,161	16,946	108,795	2.93	97,760
Property, Furnishings and Equipment	805	2,310	1,495	4,610	0.13	3,837
Allowances and Assistance	5,047	20	345,201	350,268	9.44	343,503
Grants and Subsidies	9,705	55,769	1,871,669	1,937,143	52.19	1,799,423
Debt Expenses	540,184	-	27,213	567,397	15.29	569,228
Information Technology	10,906	2,669	11,043	24,618	0.66	25,494
Gross Current Expenditure	936,516	175,559	2,599,507	3,711,582	100.00	3,497,235
Federal Revenue Sources	(5,464)	(21,013)	(53,187)	(79,664)	16.78	(67,450)
Provincial Revenue Sources	(357,599)	(6,721)	(30,809)	(395,129)	83.22	(181,416)
Total Current Related Revenues	(363,063)	(27,734)	(83,996)	(474,793)	100.00	(248,866)
Net Current Expenditure	573,453	147,825	2,515,511	3,236,789		3,248,369
Capital:						
Salaries	9,514	105	277	9,896	3.65	11,441
Employee Benefits	-	-	1	1	0.00	1
Transportation and Communications	2,314	25	77	2,416	0.89	3,912
Supplies	1,239	5	4	1,248	0.46	1,560
Professional Services	8,180	60	630	8,870	3.27	6,167
Purchased Services	157,209	2,384	3,908	163,501	60.34	152,382
Property, Furnishings and Equipment	6,330	686	17,510	24,526	9.05	39,285
Loans, Advances and Investments	500	3,122	100	3,722	1.37	4,422
Grants and Subsidies	300	1,267	18,366	19,933	7.36	26,610
Debt Expenses	1,171	-	35,703	36,874	13.61	37,156
Information Technology	-	-	5	5	0.00	-
Expenditure by Sector Before Recharges	186,757	7,654	76,581	270,992	100.00	282,936
Voted in Other Departments and Divisions	8,786	325	36,900	46,011		34,728
Recharged to Other Departments and Divisions	(46,011)	-	-	(46,011)		(34,728)
Gross Capital Expenditure	149,532	7,979	113,481	270,992		282,936
Federal Revenue Sources	(52,299)	(45)	(15,447)	(67,791)	46.34	(59,852)
Provincial Revenue Sources	(70,409)	(5,100)	(3,000)	(78,509)	53.66	(77,577)
Total Capital Related Revenues	(122,708)	(5,145)	(18,447)	(146,300)	100.00	(137,429)
Net Capital Expenditure	26,824	2,834	95,034	124,692		145,507
Total Net Expenditure	600,277	150,659	2,610,545	3,361,481		3,393,876

EXHIBIT I

SELECTED ECONOMIC STATISTICS

1997 to 2000

	2000	% Change	1999	% Change	1998	% Change	1997
Population as of July 1 (000's)	538.8	-0.4	540.8	-0.8	545.4	-1.6	554.1
Gross Domestic Product at Market Prices ($ Millions)	14,074*	16.2	12,110	7.8	11,232	7.4	10,462
Total Personal Income ($ Millions)	11,009*	3.7	10,619	2.5	10,362	3.6	10,000
Per Capita Personal Income ($)	20,432*	4.1	19,636	3.4	18,999	5.3	18,047
Labour Force, Annual Average (000's)	245.6	-0.4	246.7	4.1	237.0	1.9	232.5
Employment, Annual Average (000's)	204.6	-0.1	204.9	5.5	194.2	2.6	189.3
Unemployment Rate, Annual Average (%)	16.7	-1.2	16.9	-6.1	18.0	-3.2	18.6
Wages and Salaries ($ Millions)	5,391	6.6	5,055	5.5	4,791	3.1	4,647
Consumer Price Index(1992=100)	113.3	3.0	110.0	1.5	108.4	0.2	108.2
Oil Production (Millions of Barrels)	52.8	45.1	36.4	52.9	23.8	na	1.3**
Total Volume of Fish Landings (000's of Metric Tonnes)	268	-1.1	271	8.0	251	23.0	204
Total Value of Fish Landings ($ Millions)	581	14.1	509	39.9	364	18.5	307
Newsprint Shipments (Thousands of Metric Tonnes)	807.8	11.9	722.2	26.7	569.8	-23.1	740.9
Iron Ore Shipments (Millions of Metric Tonnes)	22.3	16.9	19.1	-11.8	21.6	-0.5	21.7
Gross Value of Manufacturing Shipments ($ Millions)	2,141.6	7.9	1,984.2	13.4	1,750.1	5.4	1,659.7
Private and Public Capital Investment ($ Millions)	3,218	-8.1	3,502	26.2	2,774	1.3	2,738
Dwelling Starts (Number)	1,459	6.4	1,371	-5.4	1,450	-14.5	1,696
Retail Trade ($ Millions)	4,495	6.4	4,223	7.2	3,939	3.7	3,800
New Motor Vehicle Sales (Number)	24,001	-1.7	24,421	13.7	21,472	2.3	20,985

Note: Some data are preliminary; some percent changes are based on unrounded data.
* Estimate
** Hibernia began production in November 1997.

Source: Statistics Canada; Economics and Statistics Branch, Department of Finance

EXHIBIT II

ESTIMATED PROVINCIAL AND FEDERAL REVENUES

2001-02 and 2000-01 Revised

	2001-02 Estimates	2000-01 Revised
	($000)	($000)
PROVINCIAL TAX SOURCES:		
Personal Income Tax	602,000	620,900
Sales Tax	503,000	489,135
Gasoline Tax	128,500	125,000
Payroll Tax	77,500	76,500
Tobacco Tax	68,800	65,500
Corporate Income Tax	80,000	74,727
Natural Resources Taxes and Royalties	49,000	60,800
Insurance Companies Tax	24,500	23,600
Corporate Capital Tax	7,900	7,500
Forest Management Tax	2,115	2,115
TOTAL: Provincial Tax Sources	1,541,015	1,545,777
OTHER PROVINCIAL SOURCES:		
Newfoundland Liquor Corporation	100,000	90,000
Lottery Revenues	99,000	95,300
Vehicle and Driver Licences	53,000	53,000
Registry of Deeds, Companies and Securities	14,051	14,000
Fines and Forfeitures	5,407	5,132
Inland Fish and Game Licences	4,315	4,315
Water Power Rentals	5,000	4,645
Registry of Personal Property	3,800	3,500
Crown Lands	2,305	2,305
Forestry Royalties and Fees	2,245	2,245
Mining and Petroleum Permits and Fees	2,485	2,272
Offshore Revenue Fund	-	6,153
Other	6,927	7,850
TOTAL: Other Provincial Sources	298,535	290,717
TOTAL: PROVINCIAL SOURCES	1,839,550	1,836,494
GOVERNMENT OF CANADA:		
Equalization Payments	1,183,335	1,153,224
Canada Health and Social Transfer (CHST)	336,306	338,739
Sales Tax Transitional Assistance	-	31,000
Statutory Subsidies	1,754	1,754
TOTAL: GOVERNMENT OF CANADA	1,501,395	1,524,717
TOTAL: PROVINCIAL AND FEDERAL REVENUES	3,340,945	3,361,211

EXHIBIT III

CURRENT AND CAPITAL REVENUES
PROVINCIAL AND FEDERAL SOURCES
1997-98 to 2001-02

	2001-02 Estimates		2000-01 Revised		1999-00 Audited		1998-99 Audited		1997-98 Audited	
	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
Current Revenues :										
Provincial Sources	2,234,679	58.6	2,017,910	55.9	1,950,387	56.8	1,779,900	51.7	1,754,139	48.6
Federal Sources	1,581,059	41.4	1,592,167	44.1	1,482,730	43.2	1,661,823	48.3	1,853,822	51.4
Total: Current Revenues	3,815,738	100.0	3,610,077	100.0	3,433,117	100.0	3,441,723	100.0	3,607,961	100.0
Capital Revenues :										
Provincial Sources	78,509	53.7	77,577	56.4	63,288	48.1	42,397	34.2	29,091	24.9
Federal Sources	67,791	46.3	59,852	43.6	68,377	51.9	81,510	65.8	87,629	75.1
Total: Capital Revenues	146,300	100.0	137,429	100.0	131,665	100.0	123,907	100.0	116,720	100.0
Current and Capital Revenues :										
Provincial Sources	2,313,188	58.4	2,095,487	55.9	2,013,675	56.5	1,822,297	51.1	1,783,230	47.9
Federal Sources	1,648,850	41.6	1,652,019	44.1	1,551,107	43.5	1,743,333	48.9	1,941,451	52.1
Total: Current and Capital Revenues	3,962,038	100.0	3,747,506	100.0	3,564,782	100.0	3,565,630	100.0	3,724,681	100.0

EXHIBIT IV

EXPENDITURE SUMMARY

2001-02 Estimated

Head	Total		Current		Capital	
	Gross ($000)	Net ($000)	Gross ($000)	Net ($000)	Gross ($000)	Net ($000)
Consolidated Fund Services	614,575	385,392	613,986	402,491	589	(17,099)
Executive Council	28,795	27,112	28,795	27,112	-	-
Finance	85,376	(28,984)	85,376	(28,984)	-	-
Government Services and Lands	27,111	23,341	26,774	24,254	337	(913)
Labrador and Aboriginal Affairs	7,233	3,321	7,233	3,321	-	-
Legislature	12,334	12,176	12,334	12,176	-	-
Public Service Commission	2,812	2,812	2,812	2,812	-	-
Works, Services and Transportation	307,812	175,107	159,206	130,271	148,606	44,836
Environment	6,732	5,832	6,732	5,832	-	-
Fisheries and Aquaculture	13,104	9,696	13,004	9,596	100	100
Forest Resources and Agrifoods	48,143	42,680	45,443	39,980	2,700	2,700
Industry, Trade and Rural Development	60,187	41,467	57,065	43,445	3,122	(1,978)
Mines and Energy	23,466	21,863	23,466	21,863	-	-
Tourism, Culture and Recreation	31,906	29,121	29,849	27,109	2,057	2,012
Education	531,055	524,188	529,385	522,518	1,670	1,670
Health and Community Services	1,428,136	1,401,734	1,378,598	1,355,196	49,538	46,538
Human Resources and Employment	262,184	253,400	262,184	253,400	-	-
Justice	124,458	114,109	124,458	114,109	-	-
Labour	6,291	2,267	6,291	2,267	-	-
Municipal and Provincial Affairs	110,584	94,753	58,889	58,092	51,695	36,661
Newfoundland and Labrador Housing Corporation	8,260	8,260	8,260	8,260	-	-
Youth Services and Post-Secondary Education	242,020	211,834	231,442	201,669	10,578	10,165
TOTAL	3,982,574	3,361,481	3,711,582	3,236,789	270,992	124,692

EXPENDITURE SUMMARY

2000-01 Revised

Consolidated Fund Services	618,312	560,213	616,672	560,469	1,640	(256)
Executive Council	28,310	26,744	28,310	26,744	-	-
Finance	44,572	(10,514)	41,122	(13,964)	3,450	3,450
Government Services and Lands	26,184	22,314	25,956	23,336	228	(1,022)
Labrador and Aboriginal Affairs	5,735	1,823	5,735	1,823	-	-
Legislature	11,353	11,195	11,353	11,195	-	-
Public Service Commission	2,280	2,275	2,280	2,275	-	-
Works, Services and Transportation	319,279	171,167	164,786	134,320	154,493	36,847
Environment	6,041	4,902	6,041	4,902	-	-
Fisheries and Aquaculture	11,514	9,064	11,364	9,049	150	15
Forest Resources and Agrifoods	44,934	41,237	42,658	38,960	2,276	2,277
Industry, Trade and Rural Development	46,028	32,309	43,215	36,297	2,813	(3,988)
Mines and Energy	15,413	14,105	15,413	14,105	-	-
Tourism, Culture and Recreation	32,429	29,740	29,705	27,042	2,724	2,698
Education	509,541	502,963	501,921	495,343	7,620	7,620
Health and Community Services	1,321,507	1,298,010	1,265,395	1,244,898	56,112	53,112
Human Resources and Employment	268,411	259,096	268,411	259,096	-	-
Justice	125,648	115,490	125,003	114,845	645	645
Labour	5,583	2,011	5,583	2,011	-	-
Municipal and Provincial Affairs	105,971	100,467	64,052	63,275	41,919	37,192
Newfoundland and Labrador Housing Corporation	6,400	6,400	6,400	6,400	-	-
Youth Services and Post-Secondary Education	224,726	192,865	215,860	185,948	8,866	6,917
TOTAL	3,780,171	3,393,876	3,497,235	3,248,369	282,936	145,507

EXHIBIT V

PUBLIC SECTOR DEBT

1997 to 2001

	Five Years ending March 31				
	2001*	2000	1999	1998	1997
	(Millions of dollars)				
Provincial Direct Debt:					
Payable in Canadian Dollars	3,458.5	3,059.2	2,659.9	2,065.0	2,070.0
Due Government of Canada	634.3	634.3	638.4	673.3	711.1
Payable in U.S. Dollars	1,804.0	1,700.9	1,770.4	1,666.4	1,624.6
Payable in Japanese Yen	30.2	32.3	89.1	74.9	78.1
Payable in Swiss Francs	277.8	392.1	457.8	538.2	690.6
Total Debenture and Other Debt	6,204.8	5,818.8	5,615.6	5,017.8	5,174.4
Treasury Bills	390.0	390.0	390.0	390.0	390.0
Total Provincial Direct Debt	6,594.8	6,208.8	6,005.6	5,407.8	5,564.4
Crown Corporation and Other Debt:					
Utility	1,055.6	1,061.0	1,096.1	1,180.8	1,438.8
Housing	120.5	127.0	126.0	131.6	153.2
Municipal	591.2	519.8	550.8	594.7	664.2
Other	195.1	153.4	38.7	111.8	154.2
Total Crown Corporation and Other Debt	1,962.4	1,861.2	1,811.6	2,018.9	2,410.4
Deduct Sinking Funds held for Redemption of Debt:					
Direct Debt	1,277.8	1,228.6	1,123.0	1,056.7	1,029.3
Guaranteed Debt	244.0	223.6	237.8	388.2	559.5
Total Sinking Funds	1,521.8	1,452.2	1,360.8	1,444.9	1,588.8
Total Public Sector Debt (Note 1)	7,035.4	6,617.8	6,456.4	5,981.8	6,386.0

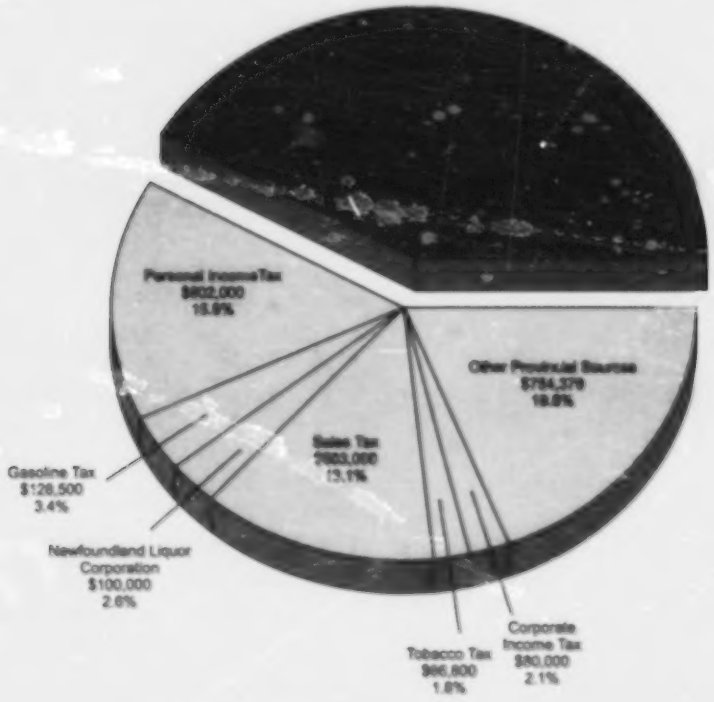
* Forecast

Note 1: For 1997-00, debt payable in foreign currencies is shown at the Canadian dollar equivalent using exchange rates in effect on March 31 of each year. For 2001, foreign currency debt is converted to the Canadian dollar equivalent using exchange rates in effect on March 1, 2001.

EXHIBIT VI

SUMMARY OF CURRENT REVENUES (By Source)

WHERE THE MONEY COMES FROM

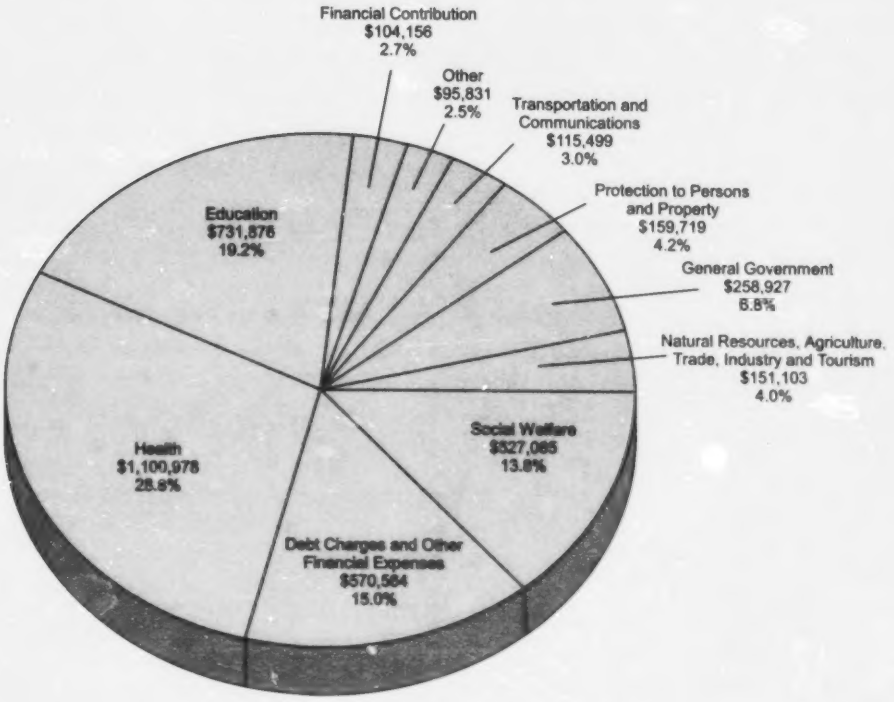


Percentage Of Total		Source	Amount ($000)	
Revised 2000-01	Estimate 2001-02		Estimate 2001-02	Revised 2000-01
		Provincial:		
17.2	15.8	Personal Income Tax	602,000	620,900
13.5	13.1	Sales Tax	503,000	489,135
3.5	3.4	Gasoline Tax	128,500	125,000
2.5	2.6	Newfoundland Liquor Corporation	100,000	90,000
1.8	1.8	Tobacco Tax	66,800	65,500
2.1	2.1	Corporate Income Tax	80,000	74,727
15.3	19.8	Other Provincial Sources	754,379	552,648
55.9	58.6	**Total: Provincial**	2,234,679	2,017,910
		Government of Canada:		
31.9	30.4	Equalization Payments	1,163,335	1,153,224
12.2	11.0	Other Federal Sources	417,724	438,943
44.1	41.4	**Total: Government of Canada**	1,581,059	1,592,167
100.0	100.0	**Total**	3,815,738	3,610,077

EXHIBIT VII

SUMMARY OF CURRENT ACCOUNT EXPENDITURES (By Function)

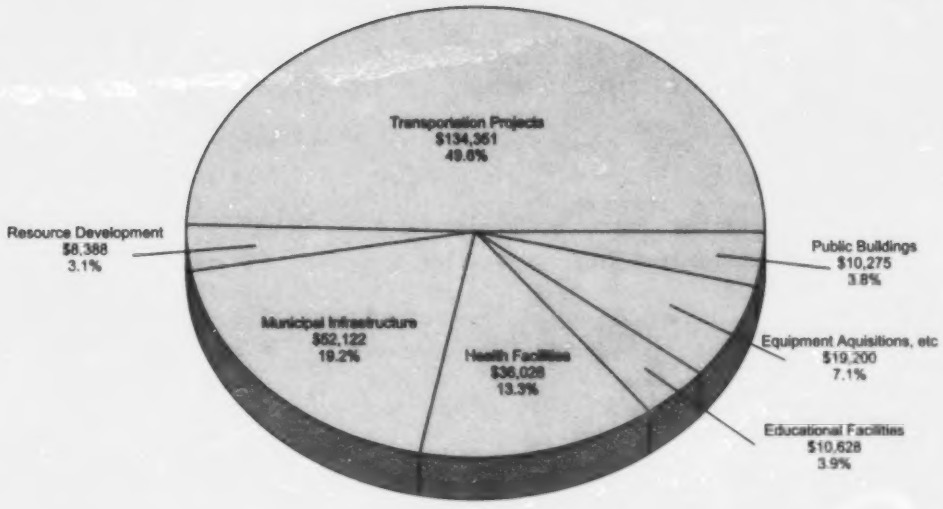
WHERE THE MONEY GOES



Percentage of Total		Function of Expenditure	Amount ($000)	
Revised 2000-01	Estimate 2001-02		Estimate 2001-02	Revised 2000-01
		Expenditure:		
19.1	19.2	Education	731,876	690,807
28.1	28.8	Health	1,100,978	1,013,043
15.9	15.0	Debt Charges and Other Financial Expenses	570,564	573,250
14.0	13.8	Social Welfare	527,085	507,094
3.5	4.0	Natural Resources, Agriculture, Trade, Industry and Tourism	151,103	125,403
5.9	6.8	General Government	258,927	211,558
4.4	4.2	Protection to Persons and Property	159,719	157,747
3.3	3.0	Transportation and Communications	115,499	120,777
2.7	2.5	Other	95,831	97,556
96.9	97.3	**Total: Expenditures**	3,711,582	3,497,235
3.1	2.7	**Financial Contribution**	104,156	112,842
100.0	100.0	**Total:**	3,815,738	3,610,077

EXHIBIT VIII

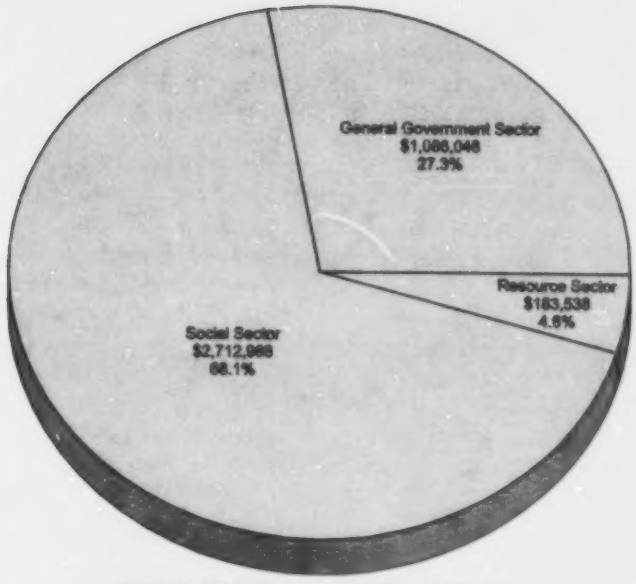
SUMMARY OF GROSS CAPITAL ACCOUNT EXPENDITURES
(By Function)



Percentage of Total		Category of Capital Expenditure	Amount ($000)	
Revised 2000-01	Estimate 2001-02		Estimate 2001-02	Revised 2000-01
		Expenditure:		
50.2	49.6	Transportation Projects	134,351	142,234
4.4	3.1	Resource Development	8,388	12,460
14.9	19.2	Municipal Infrastructure	52,122	42,100
11.5	13.3	Health Facilities	36,028	32,502
5.2	3.9	Educational Facilities	10,628	14,665
11.4	7.1	Equipment Acquisitions, etc.	19,200	32,200
2.4	3.8	Public Buildings	10,275	6,775
100.0	100.0	**Total: Expenditure**	270,992	282,936
		Source of Financing:		
21.2	25.0	Government of Canada Revenues	67,791	59,852
27.4	29.0	Provincial Revenues	78,509	77,577
51.4	46.0	Financial Requirement	124,692	145,507
100.0	100.0	**Total: Sources**	270,992	282,936

EXHIBIT IX

SUMMARY OF GROSS GOVERNMENT EXPENDITURES CURRENT AND CAPITAL (By Sector)



(TOTAL EXPENDITURE: $ 3,982,574,200)

GROSS GOVERNMENT EXPENDITURE

	Estimate 2001-02 ($000)	Percentage of Total %
Sector Expenditure		
General Government	1,086,048	27.3
Resource	183,538	4.6
Social	2,712,988	68.1
Total: Expenditure	3,982,574	100.0

RESOURCE SECTOR

	Estimate 2001-02 ($000)	Percentage of Total %
Environment	6,732	0.2
Fisheries and Aquaculture	13,104	0.3
Forest Resources and Agrifoods	48,143	1.2
Industry, Trade and Rural Development	60,187	1.5
Mines and Energy	23,466	0.6
Tourism, Culture and Recreation	31,906	0.8
Total: Resource Sector	183,538	4.6

SOCIAL SECTOR

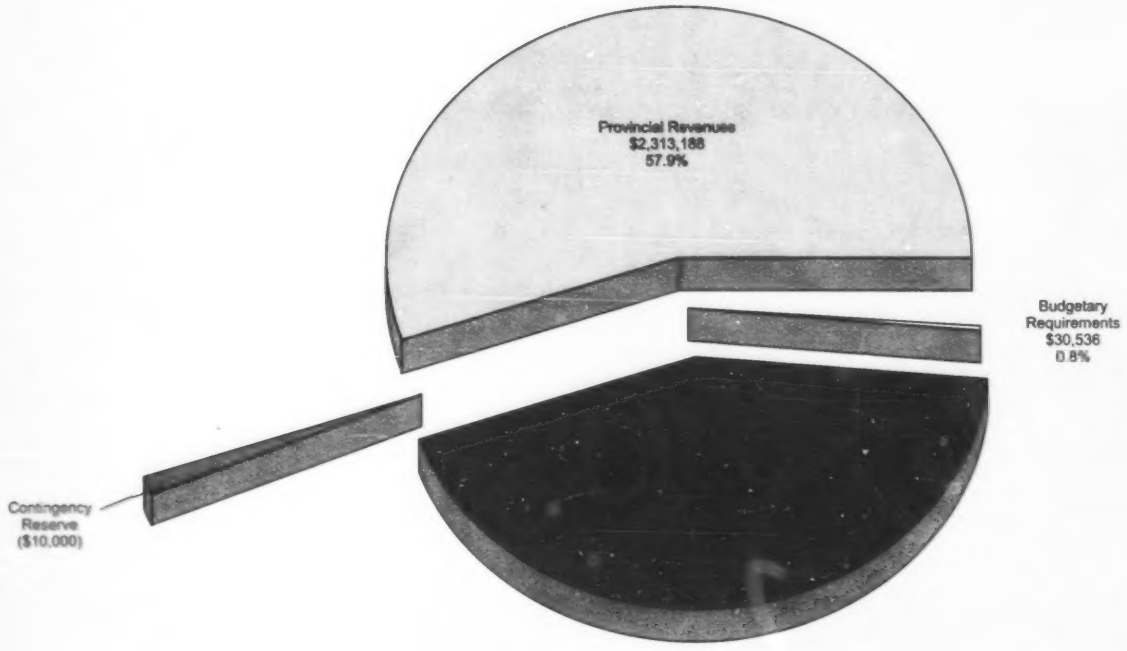
	Estimate 2001-02 ($000)	Percentage of Total %
Education	531,055	13.3
Health and Community Services	1,428,136	35.9
Human Resources and Employment	262,184	6.6
Justice	124,458	3.1
Labour	6,291	0.1
Municipal and Provincial Affairs	110,584	2.8
Newfoundland and Labrador Housing Corporation	8,260	0.2
Youth Services and Post-Secondary Education	242,020	6.1
Total: Social Sector	2,712,988	68.1

GENERAL GOVERNMENT SECTOR

	Estimate 2001-02 ($000)	Percentage of Total %
Consolidated Fund Services	614,575	15.4
Executive Council	28,795	0.7
Finance	85,376	2.2
Government Services and Lands	27,111	0.7
Labrador and Aboriginal Affairs	7,233	0.2
Legislature	12,334	0.3
Public Service Commission	2,812	0.1
Works, Services and Transportation	307,812	7.7
Total: General Government Sector	1,086,048	27.3

EXHIBIT X

SUMMARY OF BUDGETARY FINANCING SOURCES
(For Gross Current and Capital Account Expenditures)



Percentage of Total		Category of Financing	Amount ($000)	
Revised 2000-01	Estimate 2001-02		Estimate 2001-02	Revised 2000-01
		Revenue Sources:		
55.4	57.9	Provincial	2,313,188	2,095,487
43.7	41.3	Federal	1,648,850	1,652,019
			3,962,038	3,747,506
0.9	0.8	**Budgetary Requirements:**	30,536	32,665
100.0	100.0	**Total: Sources**	3,992,574	3,780,171
		Contingency Reserve	(10,000)	-
		Gross Current and Capital Expenditures:	3,982,574	3,780,171

EXHIBIT XI

SUMMARY OF SALARY COSTS BY DEPARTMENT

2001-02 and 2000-01 (Revised)

DEPARTMENT	2001-02 Estimates $	2000-01 Revised $
Consolidated Fund Services	500,000	810,000
Executive Council	15,183,700	14,112,300
Finance*	48,043,000	6,915,900
Government Services and Lands	17,613,500	16,982,600
Labrador and Aboriginal Affairs	1,624,500	1,059,900
Legislature	5,376,400	4,855,500
Public Service Commission	2,154,300	1,536,200
Works, Services and Transportation	70,672,000	71,852,700
Environment	3,785,700	3,625,000
Fisheries and Aquaculture	4,951,600	4,873,800
Forest Resources and Agrifoods	20,065,200	20,738,500
Industry, Trade and Rural Development	9,176,700	9,382,800
Mines and Energy	6,941,800	6,476,400
Tourism, Culture and Recreation	12,852,500	12,398,200
Education	7,409,200	7,124,400
Health and Community Services	10,850,200	10,446,500
Human Resources and Employment	20,531,800	20,529,900
Justice	58,312,900	61,251,300
Labour	4,286,000	3,534,300
Municipal and Provincial Affairs	5,935,900	5,552,200
Youth Services and Post-Secondary Education	5,657,500	4,114,300
TOTAL	331,944,400	288,172,700
Less: Capital Account Salary Expenditure	9,896,100	11,440,500
Total: Current Account Salary Expenditure	322,048,300	276,732,200

* Includes provision for salary increases ($40 million in 2001-02; $50 million annualized).

EXHIBIT XII

ESTIMATED INTEREST AND DEBT RETIREMENT 2001-02

Term	Series	Amount Outstanding	Interest Rate	Sinking Fund Rate	Interest	Sinking Fund	Debt Redemption
			%	%	$	$	$
Payable in Canadian Dollars:							
1983/2003	5L	125,000,000	12⅞	2	8,046,900		13,215,700
1984/2004	5N	100,000,000	13½	2	13,500,000	2,000,000	
1986/2001	EC3	66,407,000	7 1/2	2	4,980,500		26,863,300
1986/2006	5Q	100,000,000	11	2	11,000,000	2,000,000	
1987/2007	5S	42,300,000	10.79	2	4,564,200	846,000	
1987/2007	EC4	15,447,000	9	2	1,390,200		7,369,400
1987/2010	5R	100,000,000	9⅜	2	9,375,000	2,000,000	
1988/2008	5T	100,000,000	11¼	2	11,250,000	2,000,000	
1989/2012	5U	125,000,000	11	2	13,750,000	2,500,000	
1989/2014	5V	150,000,000	10⅓	1½	15,187,500	2,250,000	
1991/2001	5W	2,108,000	10.50	-	110,700		2,108,000
1991/2021	5X	147,892,000	10.95	-	16,194,200		
1993/2003	EC6	150,000,000	8¾	2	13,125,000	3,000,000	
1995/2025	6B	100,000,000	9.15	¾	9,150,000	750,000	
1996/2001	6D	100,000,000	7.6	-	7,600,000		100,000,000
1996/2004	5Z	98,895,000	9.55	-	9,444,500		
1996/2026	6C	150,000,000	8.45	¾	12,675,000	1,125,000	
1997/2007	6E	150,000,000	5.90	-	8,850,000		
1998/1999	CC1	81,100,000	FLOATING	-	4,460,500		
1998/2005	NPPF-1	4,442,225	8	-	355,400		757,200
1998/2008	6G	250,000,000	5.70	-	14,250,000		
1998/2028	6F	450,000,000	6.15	1	27,675,000	4,500,000	
1999/2009	6J	200,000,000	6.70	-	13,400,000		
1999/2029	6H	200,000,000	6.50	1 1/8	13,000,000	2,250,000	
2000/2030	6K	450,000,000	6.55	1 1/8	29,475,000	5,062,500	
2001/2002 Anticipated					6,500,000		
					279,309,600	30,283,500	150,313,600
Payable in United States Dollars:							
1987/2007	AF	100,000,000	11⅞	2	17,088,800	2,900,000	
1989/2019	AG	150,000,000	9	1½	19,845,000	3,352,500	
1990/2020	AH	150,000,000	9⅞	½	21,774,400	1,117,500	
1990/2020	AJ	150,000,000	10	½	22,050,000	1,087,500	
1991/2021	AK	200,000,000	9	½	26,460,000	1,450,000	
1992/2022	AM	200,000,000	8.65	½	25,431,000	1,450,000	
1993/2023	AN	200,000,000	7.32	¾	21,520,800	2,175,000	
1994/2001	J11	23,500,000	FLOATING	-	2,493,600		34,075,000
					156,663,600	13,532,500	34,075,000
Payable in Japanese Yen:							
1994/2001	J10	2,300,000,000	4.95	-	1,586,800		31,970,000
					1,586,800		31,970,000

ESTIMATED INTEREST AND DEBT RETIREMENT 2001-02 (Cont'd)

Term	Series	Amount Outstanding	Interest Rate	Sinking Fund Rate	Interest	Sinking Fund	Debt Redemption
			%	%	$	$	$
Payable in Swiss Francs:							
1991/2003	S7	150,000,000	7	2	9,450,000	2,191,700	
1997/2002	S8	150,000,000	3¼	-	4,387,500		
					13,837,500	2,191,700	
					451,397,500	46,007,700	216,358,600
Canada Pension Plan:							
(20 Year Term)							
1981/82	3A	52,973,000	13.66-17.51	-	5,826,300		
1982/83	3A	52,104,000	12.01-16.53	-	7,645,000		
1983/84	3A	50,738,000	10.92-12.14	-	5,882,300		
1984/85	3A	47,146,000	12.08-14.06	0.004	6,303,100	177,500	
1985/86	3A	50,570,000	10.58-12.57	0.011	5,806,900	543,100	
1986/87	3A	59,659,000	9.04-10.17	0.012	5,735,200	744,900	
1987/88	3A	43,829,000	9.12-11.07	0.014	4,280,400	604,700	
1988/89	3A	41,635,000	9.62-10.39	0.015	4,196,400	616,800	
1989/90	3A	45,188,000	9.15-10.31	0.016	4,475,100	706,300	
1990/91	3A	40,432,000	9.78-11.33	0.017	4,385,400	685,700	
1991/92	3A	40,858,000	9.81-10.04	0.017	4,052,800	684,800	
1992/93	3A	28,770,000	9.17- 9.45	0.017	2,695,300	493,900	
1998/99	3A	1,827,000	5.97		109,100		
1999/00	3A	35,282,000	5.89-7.02		2,248,100		
2000/01	3A	42,645,000	6.41-6.90		2,771,900		
2001/02 Anticipated					1,026,200		
					67,439,500	5,257,700	
TOTAL					518,837,000	51,265,400	216,358,600

AVERAGE EXCHANGE RATES USED IN CONVERSION

U.S..... 1.4700 Cdn.
Yen..... 0.0139 Cdn.
S.F. ..... 0.9000 Cdn.

EXHIBIT XIII

DETAILS OF CAPITAL EXPENDITURES

ESTIMATES 2001-02

ACTIVITY NO.	DETAILS	GROSS EXPENDITURE	RELATED REVENUE	NET EXPENDITURE
		$	$	$
CONSOLIDATED FUND SERVICES				
1.2.01	Recoveries on Loans, Advances and Investments	-	17,687,800	(17,687,800)
1.3.01	Various Facilities - Rental Purchase	89,500	-	89,500
1.4.02	Issues Under Guarantee (Statutory)	500,000	1,000	499,000
TOTAL		589,500	17,688,800	(17,099,300)
GOVERNMENT SERVICES AND LANDS				
4.1.05	Land Development	337,000	1,250,000	(913,000)
TOTAL		337,000	1,250,000	(913,000)
WORKS, SERVICES AND TRANSPORTATION				
2.2.05	Salt Storage Sheds	300,000	-	300,000
2.2.06	Alterations - Leased Accommodations	75,000	-	75,000
2.3.03	Heavy Equipment	4,000,000	125,000	3,875,000
3.2.01	Administrative Support - Road Construction	449,500	-	449,500
3.2.02	Pre-Engineering - Road Construction	650,000	-	650,000
3.2.03	Improvement and Construction - Provincial Roads	28,500,000	4,500,000	24,000,000
3.2.04	Highways - Transportation Initiative	35,200,000	35,200,000	-
3.2.05	Regional Roads - Transportation Initiative	15,100,000	15,100,000	-
3.2.06	Trans Labrador Highway	43,000,000	43,000,000	-
3.2.07	Land Acquisition	2,000,000	-	2,000,000
3.3.01	Alterations and Improvements to Existing Facilities	8,390,000	75,000	8,315,000
3.3.02	Development of New Facilities	1,250,000	1,200,000	50,000
3.3.03	Advanced Planning - Studies	200,000	-	200,000
3.3.04	Realty Services	40,000	-	40,000
4.1.03	Airstrips	2,000,000	2,000,000	-
4.2.04	Ferry Terminals	5,070,000	2,570,000	2,500,000
4.2.05	Ferry Vessels	2,381,400	-	2,381,400
TOTAL		148,605,900	103,770,000	44,835,900
FISHERIES AND AQUACULTURE				
2.1.03	Fisheries Facilities	100,000	-	100,000
TOTAL		100,000	-	100,000
FOREST RESOURCES AND AGRIFOODS				
2.1.04	Resource Roads Construction	2,200,000	-	2,200,000
3.1.03	Land Development	500,000	-	500,000
TOTAL		2,700,000	-	2,700,000
INDUSTRY, TRADE AND RURAL DEVELOPMENT				
4.2.04	Economic Development and Fisheries Adjustment Agreement	1,000,000	-	1,000,000
4.3.02	Strategic Enterprise Development Fund	2,121,500	5,100,000	(2,978,500)
TOTAL		3,121,500	5,100,000	(1,978,500)

EXHIBIT XIII

DETAILS OF CAPITAL EXPENDITURES

ESTIMATES 2001-02

ACTIVITY NO.	DETAILS	GROSS EXPENDITURE	RELATED REVENUE	NET EXPENDITURE
		$	$	$
TOURISM, CULTURE AND RECREATION				
3.1.06	Newfoundland and Labrador Film Development Corporation	1,000,000	-	1,000,000
3.1.07	Support for Cultural Activities	200,000	-	200,000
3.1.08	Historic Sites Development	335,000	10,000	325,000
4.1.02	Park Development	250,000	-	250,000
4.1.03	National Parks	5,000	2,500	2,500
6.1.02	Community Sports Facilities	227,000	-	227,000
8.1.02	Economic Renewal Agreement	40,000	32,000	8,000
TOTAL		2,057,000	44,500	2,012,500
EDUCATION				
2.1.08	Newfoundland and Labrador Education Investment Corporation	1,550,000	-	1,550,000
3.2.02	Provincial Information and Library Resources	120,000	-	120,000
TOTAL		1,670,000	-	1,670,000
HEALTH AND COMMUNITY SERVICES				
3.3.01	Furnishings and Equipment	13,600,000	-	13,600,000
3.3.02	Health Care Facilities	35,938,200	3,000,000	32,938,200
TOTAL		49,538,200	3,000,000	46,538,200
MUNICIPAL AND PROVINCIAL AFFAIRS				
3.2.01	Municipal Infrastructure	35,063,000	-	35,063,000
3.2.02	Canada-Newfoundland Infrastructure Program	11,004,000	10,850,000	154,000
3.2.03	Water and Sewer Servicing - Coastal Labrador	4,043,700	2,274,700	1,769,000
4.1.03	Disaster Assistance for Infrastructure	1,484,200	1,809,600	(325,400)
4.1.04	Joint Emergency Preparedness Projects	100,000	100,000	-
TOTAL		51,694,900	15,034,300	36,660,600
YOUTH SERVICES AND POST-SECONDARY EDUCATION				
3.1.06	Skills Training Projects - Offshore Fund	550,000	412,500	137,500
3.2.02	Physical Plant and Equipment - Memorial University	3,628,400	-	3,628,400
3.3.02	Physical Plant and Equipment - Provincial College	6,400,000	-	6,400,000
TOTAL		10,578,400	412,500	10,165,900
TOTAL: CAPITAL ACCOUNT EXPENDITURES		270,992,400	146,300,100	124,692,300